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NAVAL POSTGRADUATE SCHOOL

Monterey, California



THESIS

UKRAINIAN NAVAL REFORM: REQUIRED FOR SURVIVAL

by

George Albert Kessler Jr.

June 2001

Thesis Advisor:
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Mikhail Tsyarkin
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UKRAINIAN NAVAL REFORM: REQUIRED FOR SURVIVAL

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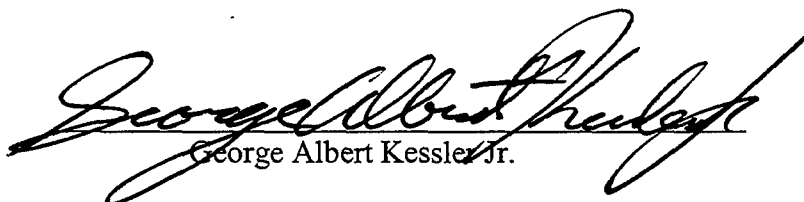
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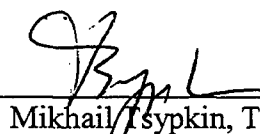
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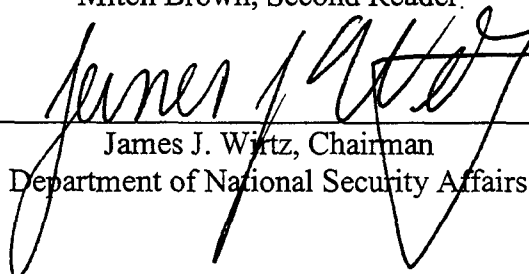

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ABSTRACT

This thesis examines the transition of the Ukrainian Navy from the Soviet Union Black Sea Fleet (BSF) to a national navy and its need for reform to survive. The settlement of the BSF revolved around three central issues: the division of BSF assets; basing rights; and sovereignty in the Crimea. Ukraine's navy must evolve from an obsolete Cold War force to a regional navy capable of protecting its national interests. Stability in the Black Sea region is critical to Ukraine and centers on four issues: a resurgent Russian Federation; Turkish dominance; Caspian Sea oil; and political and military instability. The thesis analyzes the Ukrainian Navy via a "Top-down" method of force planning utilizing a T-matrix model. This produced three areas of required reform: establishment of military functions; allocation of resources; development of a regional navy. The problems facing reform in Ukraine are military development, domestic political will, and economic issues. These problems make reform difficult. For Ukraine to survive, it must implement reform through a combination of governmental action and continued reliance on outside assistance through North Atlantic Treaty Organization/Partnership for Peace and the United States.

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EXECUTIVE SUMMARY

Ukraine inherited a vast naval force, military complex, and infrastructure at the collapse of the Soviet Union. The strategic problems of the Black Sea Region, however, made the quick and peaceful division of these assets impossible. Ukraine's ability to protect its national interests and ensure regional stability is critical. This thesis will investigate the evolution of the Ukrainian Navy, its status, and the strategic concerns of Ukraine in the region. To accomplish these goals Ukraine requires a capable and efficient navy. Ukraine does not have that. It will then analyze the Ukrainian Navy based on these facts and the national interests of Ukraine. From that analysis, areas for reform emerge and the obstacles to this reform identified. The Ukrainian Navy requires a comprehensive program of reform to survive.

Of the 26 former Soviet Union Black Sea ports, 19 are located in Ukraine, including the critical port of Sevastopol, home of the Black Sea Fleet. The Black Sea Fleet comprised approximately 635 combatant, auxiliary, and support ships. However, the monetary and strategic value of its infrastructure was more critical than the ships and aircraft of the Black Sea Fleet. The division of these assets was critical to both Russia and Ukraine. Russia needed to maintain its presence in the region to satisfy strategic goals. For Ukraine, the division of the Black Sea Fleet would be recognition of its independence and sovereignty.

Negotiations on the division of the fleet and the status of the Crimea marred Ukrainian-Russia relations throughout the 1990s. The settlement of Black Sea Fleet status revolved around three central issues:

- Division of the Black Sea Fleet;
- Basing rights; and
- Sovereignty in the Crimea.

In 1997, Ukraine and the Russian Federation signed the Black Sea Fleet Agreement authorizing the final disposition of the fleet and the status of Crimea. With the division complete, Ukraine must evaluate the condition of its naval force and the requirements to satisfy its national interests in the region.

Ukraine established its navy in December 1991. The first ship joined the navy in 1992 with the defection of a patrol craft from the Black Sea Fleet. During the Black Sea Fleet negotiations, Ukraine acquired a limited number of vessels via construction, defection, and transfer from the Black Sea Fleet. Ukraine's Navy concentrated on the development of a command structure in anticipation of the division of the fleet. The Black Sea Fleet negotiations and Ukraine's economic troubles made all other options non-viable.

Understanding its economic and naval weakness, Ukraine embarked on a program of cooperation and integration with the West. Joining the North Atlantic Treaty Organization's (NATO) Partnership for Peace (PfP) in 1994, Ukraine sought to establish a tacit security relationship with the West. This program injected some of the vital financial capital into Ukraine's withering military structure. The funding from NATO and the United States to conduct joint operations provides the requisite resources for Ukraine's navy to function. This relationship plays a pivotal role in Ukraine's efforts to balance the Russian Federation and the West.

The Ukrainian Navy has undergone a long evolution from the former Soviet Union Black Sea Fleet to emerge as a national navy. However, the young Ukrainian Navy found the once impressive Black Sea Fleet had become a collection of obsolete and inoperable rusting hulks. The economic difficulties and the incomplete infrastructure of Ukraine make it impossible to maintain the former Soviet naval forces and command structure. The Ukrainian Navy must now evolve from an obsolete Cold War force to a regional navy capable of defending its coastline and protecting its national interests.

Ukraine's primary strategic concern during its first decade of independence was to guarantee its territorial and political sovereignty. Ukraine sought to develop the structures associated with any modern nation. This translated into an independent foreign policy. Ukraine's "multi-vectored" policy seeks to balance the Russian Federation and the West while developing a strong regional presence.

Regional security in the Black Sea is critical to Ukraine's stability and functioning as a sovereign state. Security in the region can be broken down into four main concerns: a resurgent Russian Federation; Turkish dominance; Caspian Sea oil; and political and/or military instability. These concerns comprise the major threats to Ukrainian security. These regional issues necessitate Ukraine possessing an adequate navy to protect its national interests and project its foreign policy.

With the current degraded status of the Ukrainian Navy and the strategic concerns in the region, Ukraine must reevaluate its naval forces and their structure. A "Top-Down" method of force planning provides the necessary evaluation, ensuring that Ukraine's national interests are met. To do this, Ukraine must identify its national

interests and establish the functions of the navy. Although, Ukraine established its navy in 1991, it has yet to delineate specific functions for the navy to complete. A synthesis of Ukraine's national interest and strategic concerns develops the required functions. These functions are the foundation for the analysis of the future of Ukrainian Naval Forces.

A matrix format of analysis integrates the national interests, military functions, and current Ukrainian Naval command and force structure. This "Top-Down" assessment gives a macro-level picture of the success of the Ukrainian Navy in ensuring its security environment. From the analysis three areas of needed reform emerge:

- Establish military functions via legislation.
- Allocate resources across the spectrum of operations.
- Develop assets required for a regional navy.

In order to be successful, a dramatic shift from the current Soviet Union assets and structure needs to occur. These areas of reform require a combination of legislative action, resource allocation, and political will.

Ukraine, however, has little hope for implementing the requisite reform. Various difficulties exist that prevent implementation of reform. Three major roadblocks on Ukraine's road to reform are military development, domestic political will, and economic issues. Ukraine lacks the requisite military-industrial complex to successfully reform. Internally, there is a lack of domestic political will to implement change. In addition, Ukraine's economic weakness exacerbates the previous difficulties. With little prospect for economic recovery or growth, the proper allocation of available funds is a priority. These factors severely limit the available political will to implement the needed changes.

For the Ukrainian Navy to survive, reform must occur. The military functions must be created, resources allocated across the spectrum, and regional naval assets developed. The fleet is rusting at alongside the piers. Funding for exercises and repairs is arriving through NATO and PfP. This only offers a temporary solution. If Ukraine desires a valid foreign security policy, it must develop the organic ability to support its maritime forces. Reform measures, while difficult and costly in the short-term, will significantly enhance Ukraine's role in the international community and reduce the actual budget costs.

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I. INTRODUCTION

"Ukraine is the keystone in the arch of the emerging security environment in Central and Eastern Europe."¹ This bold statement of Sherman Garnett reflects the importance of the stability of the newly independent Ukraine. Ukraine inherited a vast military complex and infrastructure at the collapse of the Soviet Union. However, the strategic concerns of the Black Sea Region made the quick and peaceful division of these assets impossible. Ukraine's ability to protect its national interests, project foreign policy, and ensure regional stability is critical. To accomplish these goals Ukraine requires a capable and efficient navy. Ukraine does not have that. This thesis investigates the evolution of the Ukrainian Navy, its status, and the strategic concerns of Ukraine in the region. It will then analyze the Ukrainian Navy based on these facts and the national interests of Ukraine. From that analysis, areas of reform emerge and the problems facing such reform are investigated. The Ukrainian Navy requires a comprehensive program of reform to survive.

A. EVOLUTION OF THE UKRAINIAN NAVY

Ukraine inherited a vast naval force and infrastructure with the dissolution of the Soviet Union in 1992. Of 26 former Soviet Union Black Sea ports, Ukraine holds possession of 19, including the critical port of Sevastopol, home of the Black Sea Fleet.² The Black Sea Fleet comprised approximately 635 combatant, auxiliary, and support

¹ Sherman W. Garnett, *The Keystone in the Arch: Ukraine in the Emerging Security Environment of Central and Eastern Europe*, (Washington, D.C.; The Carnegie Endowment for International Peace, 1997), p. 7.

² Duygu Bazoglu Sezer, "Balance of Power in the Black Sea in the Post-Cold War Era: Russia, Turkey, and Ukraine," in Maria Drohobycky, ed., *Crimea: Dynamics, Challenges, and Prospects*,

ships. However, according to John Jaworsky its infrastructure was more critical, "The monetary value and strategic importance of this infrastructure far outweigh that of the actual ships and aircraft of the Black Sea Fleet, since it includes a variety of facilities for testing new equipment, as well as naval tactics and operations, and training naval personnel."³ The division of these assets was critical to both Russia and Ukraine. Russia needed to maintain its presence in the region to satisfy strategic goals of influence. For Ukraine, the division would be recognition of its independence and sovereignty. The long and difficult negotiations on the division of the Black Sea Fleet are best described by a Ukrainian joke. "A Russian and a Ukrainian find \$1.00 on the street. The Russian turns to his buddy and says, 'Let's split it like brothers!' The Ukrainian shakes his head and responds, 'No thanks. Let's split it 50-50.'"⁴

Negotiations on the division of the fleet and the status of the Crimea would mar Ukrainian-Russia relations throughout the 1990s. The settlement of Black Sea Fleet status revolved around three central issues: division of the Black Sea Fleet; basing rights; and sovereignty in the Crimea. In 1997, Ukraine and the Russian Federation signed the Black Sea Fleet Agreement authorizing the final disposition of the fleet and the status of Crimea. Ratification of the agreement, however, did not occur until 1999. The agreement gave Ukraine control of 18 percent of the former Black Sea Fleet and

(Lanham, Maryland; Rowman & Littlefield Publishers, Inc., 1995), 166.

³ John Jaworsky, *Ukraine: Stability and Instability McNair Paper 42*, (Washington, D.C.: Institute for National Strategic Studies, National Defense University, August 1995), p. 48.

⁴ Tyler Felgenhauer. "Ukraine, Russia, and the Black Sea Fleet Accords." (February 1999). *Woodrow Wilson School Case Study 2/99*. Available [Online]: <http://www.wws.princeton.edu/~cases/papers/ukraine.html> [11 January 2001].

guaranteed its sovereignty over the Crimea. Russia kept approximately 82 percent of the fleet and leased basing rights to the majority of Sevastopol's facilities for the next 20 years. With the division complete, Ukraine must evaluate the condition of its naval force and how best to satisfy its national interests in the region.

B. STATUS OF THE NAVY

"The Navy is a special tool of state policy," this statement made by Andrey Kokoshin, former secretary of the Russian Security Council, reflects Ukrainian and Russian views of the Black Sea Fleet.⁵ With this concept in mind, Ukraine legislatively established its navy in December 1991. The first ship joined the navy in 1992 with the defection of a patrol craft from the Black Sea Fleet. Through the years of Black Sea Fleet negotiations, Ukraine acquired a limited number of vessels via construction, defection, and transfer from the Black Sea Fleet. Ukraine concentrated on the development of a command structure in anticipation of the division of the fleet. The Black Sea Fleet negotiations and economic troubles of Ukraine made all other options non-viable.

Ukraine embarked on a program of cooperation and integration with the West. Joining NATO's Partnership for Peace (PfP) in 1994, Ukraine sought to establish a tacit security relationship with the West. In addition, PfP injected some vital financial capital into Ukraine's withering military structure. With the signing of the Charter on a Distinctive Partnership between the North Atlantic Treaty Organization and Ukraine on 9 July 1997, Ukraine solidified its ties to the West. The funding from NATO and the

⁵ Ibid.

United States to conduct joint operations provides much needed resources to Ukraine's navy. Without these funds, Ukraine is unable to conduct large-scale naval exercises. This relationship plays a pivotal role in Ukraine's efforts to balance the Russian Federation and the West.

The Ukrainian Navy has undergone a long evolution from the former Soviet Union Black Sea Fleet to emerge as a national navy. However, the young Ukrainian Navy found that the once impressive Black Sea Fleet had become a collection of obsolete and inoperable rusting hulks. The economic difficulties and incomplete infrastructure of Ukraine makes it impossible to maintain the former Soviet naval forces and command structure. The Ukrainian Navy must continue its evolution. It must now evolve from an obsolete Cold War force to a regional navy capable of defending its coastline and protecting its national interests.

C. STRATEGIC CONCERNS

Ukraine's primary strategic concern during its first decade of independence was to guarantee its territorial and political sovereignty. With limited experience in governance, Ukraine sought to develop the structures associated with any modern nation. This translated into an independent foreign policy. Ukraine also attempted to develop ways to implement its foreign policy. Ukraine's "multi-vector" policy seeks to balance the Russian Federation and the West while developing a strong regional presence. The stability of the Black Sea region is critical to Ukraine. As one of the six littoral nations of the Black Sea, Ukraine has a vast coastline roughly 2,782 kilometers and a large merchant marine. The Ukrainian merchant marine carries approximately 18 million tons of cargo and six million passengers per year and consists of 1,270 vessels with a freight-

carrying capacity of 2.5 million tons.⁶ These facts, combined with the emergence of the Black Sea as a possible energy corridor for Caspian Sea oil, creates a need for Ukraine to have adequate naval force to protect its interests.

Regional security in the Black Sea is critical to Ukraine's stability and functioning as a sovereign state. Security issues can be divided into four main areas: a resurgent Russian Federation; Turkish dominance; Caspian Sea oil; and political and/or military instability. These concerns comprise the major threats to Ukrainian security. A resurgent Russian Federation poses a significant threat to Ukraine. Ukraine is dependent on energy resources and trade with the Russian Federation. There are still factions within Russia that see Ukraine as their rightful domain. The new Military Doctrine released in 2000 by the Russian Federation only heightens Ukraine's concerns. Turkey has emerged as the dominant regional power with the dissolution of the Soviet Union. With a vast military complex, control of Bosphorus and Dardanelles, and interests in the Caspian oil, cordial relations with Turkey is a primary Ukrainian goal. The potential development of the Caspian Sea oil is of vital importance to every country in the region. Ukraine sees the development of a pipeline that would transport the oil through its territory as a way of decreasing its dependence on the Russian Federation. The financial gains also would bolster a sagging economy. The Caspian Sea oil issue can only be resolved by addressing the political and/or military instability of the region. Ukraine lies in the center of a belt of instability ranging from the Balkans to the Caucasus. The current conflict in Chechnya, and possibility of others, destabilizes the region preventing normal political discourse.

⁶ Mykhailo B. Yezhel. "The Birth of the Ukrainian Navy." *United States Naval Institute Proceedings*. (Annapolis: United States Naval Institute Press, March 2000), p. 62.

These regional issues necessitate Ukraine possessing an adequate navy to protect its national interests and project its foreign policy.

D. ANALYSIS

With the current degraded status of the Ukrainian Navy and the strategic concerns in the region, Ukraine must reevaluate its naval forces and structure. A "Top-Down" method of force planning can help ensure that Ukraine's national interests are met. In order to do this, Ukraine's national interests must be identified and the functions of the navy established. The development of a national security strategy is a constant struggle between competing considerations. Ukraine's National Security Concept identifies its national interests and the corresponding threats. With these identified, Ukraine must develop military functions to address them. Although, Ukraine established its navy in 1991, it has not yet delineated specific functions for the navy to complete. A synthesis of Ukraine's national interest and its strategic concerns in the region develops the required functions. These functions are the foundation for the analysis of the future of Ukrainian Naval Forces.

A matrix format of analysis integrates the national interests, military functions, and current Ukrainian Naval command and force structure. This "Top-Down" assessment gives a macro-level picture of the success of the Ukrainian navy in ensuring its security environment. The results of this analysis highlight positions of shortfall and missing capability. From the analysis three areas of needed reform emerge:

- Establishment of military functions via legislation.
- Allocation of resources across the spectrum of operations.
- Development of assets required for a regional navy.

To be successful, Ukraine must procure new ships and infrastructure. These areas of reform require a combination of legislative action, resource allocation, and political will.

E. ROADBLOCKS

Ukraine, however, has little hope for implementing the requisite reform. Various difficulties exist that prevent implementation of reform. Three major roadblocks on Ukraine's road to reform are military development, domestic political will, and economic issues. Ukraine lacks the requisite military-industrial complex to reform. With limited closed-cycle production capability, Ukraine needs to find outside sources of procurement. Internally, there is a lack of domestic political will to implement change. Corruption, patronage, and weak power structures plague the Ukrainian government. Up to this time, neither the legislature nor the executive is willing to expend the political capital necessary to institute change. The economic weakness of Ukraine adds to the previous difficulties. With a 1999 real Gross Domestic Product (GDP) less than half that of the 1991 level, the available money supply is dwindling.⁷ The military is budgeted at 1.4 percent of the GDP, but only funded at 40 percent of budget. This funding level is true throughout the Ukrainian government. With little prospect for economic recovery or growth, the proper allocation of available funds is a priority. These factors severely limit the available political will to implement the needed changes.

⁷ Ahmed Hashim and Vladimir Lehovitch, *Issues for the U.S. Navy in the Black Sea Region: Country Profiles and Recommendations Russia, Turkey, Ukraine, Bulgaria, Georgia*, (Alexandria: Center for Naval Analyses, June 2000), p. 76.

F. THESIS

For the Ukrainian Navy to survive, reform must occur. The military functions must be created, resources allocated across the spectrum, and regional naval assets developed. The fleet is rusting at the piers. Funding for exercises and repairs is arriving through NATO and PfP. This only offers a temporary solution. If Ukraine desires a valid foreign security policy, it must develop the organic ability to support its maritime forces. Reform measures, while difficult and costly in the short-term, will significantly enhance Ukraine's role in the international community and reduce the actual budget costs. This thesis examines the need for reform beginning with a short history of the Black Sea Fleet negotiations between Ukraine and the Russian Federation. It then turns to an evaluation of the status of the Ukrainian Navy and the strategic concerns of Ukraine in the Black Sea region. From this it proceeds to analyze the Ukrainian Navy's forces and structure based on a combination of Ukraine's national interests, military functions of the navy. With areas of reform delineated, it continues with a description of the difficulties Ukraine faced in implementing reform. A discussion of a possible method to implement the required reform utilizing the Partnership for Peace program comprises the conclusion.

II. EVOLUTION OF THE UKRAINIAN NAVY

A. UKRAINE

The dissolution of the Soviet Union in 1991 saw the emergence of numerous newly independent countries. No two, however, would change the strategic face of a region more than the development of the Russian Federation and Ukraine. Ukraine, with its vast economic resources, military infrastructure, strategic location, and population, influences the entire Eastern and Central European security environment. The relationship between these two powers and the settlement of outstanding issues between them then takes on greater importance. At the center of this dynamic environment has been and still is on some levels the division of the Black Sea Fleet and its corresponding assets.

Ukraine's emergence onto the international political scene, while unexpected having been under Czarist Russia and Soviet dominance for centuries, is not without historical reference. However, the national culture of Ukraine is largely a development of recent history. The current borders of Ukraine, that include two new NATO countries (Poland and Hungary), date to the end of World War II. Most of the western portion of Ukraine was acquired during the advance of the Red Army through Eastern Europe. Historical Ukraine fell under the domination of the Czarist Empire during the early 19th Century and remained so under the Soviet Empire. These two facts produced a peculiar ethnic and cultural mix in Ukraine. With a large minority of ethnic Russians, twenty-two percent, and an even larger proportion of Russian speakers, fifty-five percent, a Ukrainian

national identity is of primary importance.⁸ Securing Ukrainian sovereignty and independence is the overriding goal. Potential for the navy and its political marketability has played a significant role in this desire.

Ukraine became a member of the Commonwealth of Independent States (CIS) in 1991. The CIS agreement stated, "The high contracting parties recognize and respect one another's territorial integrity and the inviolability of existing borders within the commonwealth."⁹ This made recognition of Ukraine's borders conditional on its full membership in the CIS. However, it was the best guarantee of independence possible at the time.

Without an unconditional border guarantee Ukraine remained politically and strategically vulnerable. Therefore, it was imperative that a new Ukrainian-Russian treaty be developed. In furtherance of this concept, talks began on the Ukrainian-Russian Friendship Treaty in 1992. On 23 June, 1992 representatives of the two countries signed the *Treaty Between Ukraine and the Russian Federation for the Further Development of Relations*. This established the framework for negotiations on the Friendship Treaty. These negotiations encompassed the Black Sea Fleet and corresponding issues directly affecting the development of a Ukrainian Navy.

⁸ Sergey Khrychikov. "The Effect of NATO Partnership with Ukraine on Inter-Ethnic Relations within the Country." (01JUN00). *NATO-EAPC Research Fellowship*. Available [Online] <http://www.nato.int/acad/fellow/98-00/khrychikov.pdf> [10 October 2000].

⁹ Sherman W. Garnett. *The Keystone in the Arch: Ukraine in the Emerging Security Environment of Central and Eastern Europe*. (Washington, D.C.; The Carnegie Endowment for International Peace, 1997), p. 58.

B. BLACK SEA FLEET AND BASES

The military resources stationed in Ukraine at the collapse of the Soviet Union were vast and diverse. Moscow utilized Ukraine as the redeployment point for its Category I¹⁰ equipment returning from Central Europe. After the breakup, Ukraine had over a million soldiers and an equivalent quantity of combat equipment (e.g., tanks, artillery, aircraft, and helicopters) as Russia.¹¹ However, of greater strategic importance was the Black Sea Fleet and the supporting infrastructure.

Of the twenty-six Soviet Union Black Sea ports, Ukraine was in possession of nineteen including the critical port of Sevastopol, home of the Black Sea Fleet.¹² The Black Sea Fleet comprised approximately 635 combatant, auxiliary, and support ships. However, over the past several decades, the Black Sea Fleet (BSF), has been a waning naval force, increasingly incapable of performing the role Soviet defense planners assigned to it in the Mediterranean against the U.S. Sixth Fleet and other NATO assets.¹³ The infrastructure was more critical, "The monetary value and strategic importance of this infrastructure far outweigh that of the actual ships and aircraft of the Black Sea Fleet, since it includes a variety of facilities for testing new equipment, as well as naval tactics

¹⁰ Category I equipment was the highest quality equipment in the Soviet Union's inventory.

¹¹ Randall G. Williams. "An Alternative Foreign Policy for Ukraine." Thesis (Naval Postgraduate School, June 1993), 6.

¹² Duygu Bazoglu Sezer. "Balance of Power in the Black Sea in the Post-Cold War Era: Russia, Turkey, and Ukraine." in Maria Drohobysky, ed., *Crimea: Dynamics, Challenges, and Prospects*. (Lanham, Maryland; Rowman & Littlefield Publishers, Inc., 1995), p. 166.

¹³ Sherman W. Garnett, *The Keystone in the Arch: Ukraine in the Emerging Security Environment of Central and Eastern Europe*, (Washington, D.C.; The Carnegie Endowment for International Peace, 1997), p. 74.

and operations, and training naval personnel.”¹⁴ Determining the division of these assets was the crux around which Ukrainian-Russian relations revolved for the majority of the 1990s.

As the newly independent states of the Former Soviet Union (FSU) emerged in 1992, they claimed sovereignty over all former Soviet Union facilities and assets within their respective borders. Russia was the first to do this, and Ukraine shortly followed. Since the Soviet Union had based the Black Sea Fleet in the city of Sevastopol, the fleet would seem to have belonged to Ukraine, at least according to CIS agreements and international norms.¹⁵ However, President Boris Yeltsin politically could not afford to lose the Black Sea Fleet. The Black Sea Fleet was Russia’s strategic arm in the region. Its loss diminishes Russia’s ability to influence the region.

That fact firmly in view, the Russian Federation claimed 100 percent ownership of the entire Black Sea Fleet and sovereignty of where it was based. At the same time, Ukraine declared its ownership over the fleet. At a January 1992 press conference, the Ukrainian Ministers of State and Defense stated their country would lose only what it had never claimed - nuclear carrying vessels that were to become part of CIS united forces.¹⁶ These competing claims set the stage for Ukrainian-Russian relations. The division of

¹⁴ John Jaworsky, *Ukraine: Stability and Instability McNair Paper 42*, (Washington, D.C.: Institute for National Strategic Studies, National Defense University, August 1995) p. 48.

¹⁵ Yu Nepomnyashcha, “Ukraine: Security Commission Head Views Russia’s Claims, Fleet Issue,” Foreign Broadcast Information Services (FBIS) Doc # FBIS-SOV-97-006. (26 December 1996). Available [Online] <http://fbis.fedworld.gov> [10 March 2001].

¹⁶ Tyler Felgenhauer. “Ukraine, Russia, and the Black Sea Fleet Accords.” (February 1999). *Woodrow Wilson School Case Study 2/99*. Available [Online]: <http://www.wws.princeton.edu/~cases/papers/ukraine.html> [11 January 2001].

the Fleet became the vehicle by which Russia and Ukraine highlighted their strategic, political, and social difficulties remaining from the Cold War.

C. NEGOTIATIONS

Negotiations dealing with the Black Sea Fleet, although beginning immediately upon the independence of Ukraine, did not conclude until 1997. This delay was the primary result of three issues:

- The division of the Black Sea Fleet forces;
- The establishment of basing rights for Russian Federation Forces;
- The status of the Crimea and Sevastopol as the sovereign domain of Ukraine.

These issues, while not insurmountable, were the foundation for political maneuvering and the official reflection of the unacceptable-to-Russia disintegration of the Former Soviet Union power base.

1. Central Issues

a. Division of the Black Sea Fleet

The division of the Black Sea Fleet was the least contentious of the three issues. The ships were never the key issue. While at one time a jewel of the former Soviet Navy, by 1995 the Black Sea Fleet was both small and old, with the newest of its ships built 17 years earlier.¹⁷ As early as 1993, the basic model of a 50 percent division

¹⁷ Stephen Erlanger. "Red' Fleet in Black Sea Split," *New York Times News Service*, (11 June 1995). Available[Online] <http://www.b-info.com/places/Bulgaria/news/95-06/jun11a.tk> [20 February 2001].

for each side, with the sale of a percentage back to Russia, was set-up. Problems did exist. There had been no official inventory of ships in the fleet before 1995. The count varied from source to source, from 635 to 440 to 380 to 300 warships and submarines.¹⁸ Even so, the division was never more than a peripheral issue between Ukraine and Russia. Neither Ukraine nor Russia wanted or could monetarily maintain the majority of the Black Sea Fleet.

b. Basing Rights

The disposition of the sailors, officers, and families with the stationing of the ships once divided was a more difficult proposition. The Black Sea Fleet comprised over 48,000 personnel that included naval air, infantry, and coastal defense. Russia does not have sufficient facilities to support a fleet in the Black Sea at the four ports left on its territory after the collapse of the Soviet Union. The housing and support of those personnel and their associated families could not easily be resolved. Neither Ukraine nor Russia has the monetary resources to relocate those personnel should such a solution be required.

c. Crimea

In 1954, Soviet leader Nikita Khrushchev gave Ukraine control of the Crimea to mark the 300th anniversary of Ukrainian union with Russia. The validity of this action became an issue with the collapse of the Soviet Union. Sevastopol, the capital of Crimea, was the home of the Soviet Black Sea Fleet. The Crimea had long been a

¹⁸ Tyler Felgenhauer. "Ukraine, Russia, and the Black Sea Fleet Accords." (February 1999). *Woodrow Wilson School Case Study 2/99*. Available [Online]: <http://www.wws.princeton.edu/~cases/papers/ukraine.html> [11 January 2001].

resort area and many Soviet military retired to the area. Many Russian nationalists began regular demands that Crimea be returned to Russia along with the Black Sea Fleet and its bases.¹⁹ In July 1992, under pressure from pro-Russian separatists in the Crimea, the Crimean and Ukrainian parliaments determined that Crimea would remain under Ukrainian jurisdiction but with significant autonomy. Separatist movements in Crimea continue to operate with tacit support from nationalists in Moscow. The elections of 1994 brought the pro-Russian Republican Movement of the Crimea to power. Crimean President, Iurii Meshkov lobbied strongly for Crimean independence and reunification with Russia. Ukrainian President Kuchma abolished the Crimean presidency and constitution in March 1995, pushing Meshkov aside.²⁰ The tension of the Crimea question was critical to negotiations and Ukrainian sovereignty. Ukraine could not afford to lose control of such a vital region. The issue was vital less for military or strategic reasons than for implicit political acknowledgement of Russia's dominance in the event of such a loss for Ukraine.

2. Pace of the Talks

On 2 April 1992, the then Ukrainian President, Leonid Kravchuk, issued a decree "On taking immediate measures for the deployment of the Armed Forces of Ukraine." This included the formation of naval forces based on the Black Sea Fleet of the former Soviet Union. In response to this declaration, Russian President Yeltsin ordered Black

¹⁹ Stephen Erlanger. "Red' Fleet in Black Sea Split," *New York Times News Service*, (11 June 1995). Available[Online] <http://www.b-info.com/places/Bulgaria/news/95-06/jun11a.tk> [20 February 2001].

²⁰ R. Craig Nation. "NATO's Relations with Russia and Ukraine." *U.S. Army War College*. (01 June 2000). Available [Online] <http://carlisle-www.army.mil/usassi/ssipubs/pubs97/usrus21/usrus21.htm> [16 November 2000].

Sea Fleet ships to raise the flag of St. Andrew, the recently adopted flag for the Russian Navy. This marked the beginning of a long and difficult process of negotiating the settlement of the fleet. Kravchuk and Yeltsin were able to defuse the crisis and agreed to re-open talks on the issues. On April 29th 1992, delegations from Russia and Ukraine met in Odessa. However, the discussions accomplished little. The one significant outcome was a moratorium on any unilateral action that could aggravate the situation around the Black Sea Fleet and a joint commission of Russian and Ukrainian representatives was established to monitor the moratorium.²¹

With a moratorium on unilateral action in effect, negotiations appeared to start moving forward. Two months after the Odessa talks, the parties negotiated an agreement at Dagomys. However, events derailed this success before it reached fruition. In the first week of July, the Ukrainian government declared that 97 percent of the Black Sea Fleet officers had sworn allegiance to Ukraine. At the same time, Ukrainian sailors seized a naval garrison in Sevastopol. One week later on July 21, a Black Sea frigate hoisted the Ukrainian flag, broke away from formation, and defected to the southern port of Odessa. Although pursued, the frigate entered the port of Odessa and Ukraine granted it asylum from Russian forces. Admiral Kasatonov responded by accusing Ukraine of “piracy.”²²

In early August, a meeting between Yeltsin and Kravchuk reached an agreement on the Black Sea Fleet. The agreement, signed on August 3, 1992 in Yalta, had three components:

²¹ Tyler Felgenhauer. “Ukraine, Russia, and the Black Sea Fleet Accords.” (February 1999). *Woodrow Wilson School Case Study 2/99*. Available [Online]: <http://www.wws.princeton.edu/~cases/papers/ukraine.html> [11 January 2001].

- The Black Sea Fleet was explicitly removed from under the military command of the CIS, and placed under joint control of Ukraine and Russia.
- The period of joint control would last for three years, after which a separate agreement on the final division would be adopted.
- The oaths of allegiance to Ukraine, that the Ukrainian government had forced on Russian sailors of the Black Sea Fleet, were officially voided.²³

This successfully placed the Black Sea Fleet issues on hold and would give the governments time to peacefully resolve the tensions involved.

3. Tension Rises

The peaceful resolution of relations between Russia and Ukraine was not possible. Within months, Ukraine was protesting alleged Russian violations of the 1992 Yalta agreement. Accusations of misconduct became standard verbiage between the governments. Then on July 9, 1993, the Russian parliament in a joint session voted 166 to zero to declare Sevastopol part of the Russian Federation.²⁴ The following day President Yeltsin condemned the Duma's actions, however, the damage was done. Kravchuk then stated the Russian Duma's actions had no legal force and, "The attempts of some political forces in Russia...are sowing hostility between peoples and

²² Ibid.

²³ Ibid.

undermining the region's peace and stability."²⁵ Yeltsin and Kravchuk attempted to resolve differences with talks resulting in the Massandra Accords, yet the verbal battling continued. The arguments soon shifted from just accusations to actions in April of 1994. "The Odessa Incident" began with a Russian research vessel departing the port of Odessa for Sevastopol. This was not an unusual activity except for the 10 million dollars of Ukrainian navigational equipment located onboard.²⁶ Ukrainian forces then seized a maintenance base near Odessa and arrested three Russian Officers. Russian Black Sea Fleet units in Odessa and three other bases went on combat alert. Ukraine then placed the port of Odessa and a patrol unit under Ukrainian direct control. Factions within the Black Sea Fleet were on a road to open conflict. The two presidents, once again, came to the rescue, soothing tensions.

Official talks began in earnest on April 12, 1994. Ukraine and Russia made numerous concessions. Russia was to be given basing rights and relinquish some of its demands on the division of forces. The fleet would be split in half with Ukraine selling back a portion of its forces to Russia. The new tenor of the Ukrainian position was highlighted by Kravchuk's statement that, "Ukraine will take what it can support and what it needs, strategically, according to our military doctrine."²⁷ However, the actual delineation of the basing rights, the sovereignty of the Crimea, and the price of the

²⁴ Popeski, Ron, "Russian Claim on Sevastopol Angers Ukraine," *Reuters*, (07OCT93).

²⁵ Ibid.

²⁶ Tyler Felgenhauer. "Ukraine, Russia, and the Black Sea Fleet Accords." (February 1999). *Woodrow Wilson School Case Study 2/99*. Available [Online]: <http://www.wws.princeton.edu/~cases/papers/ukraine.html> [11 January 2001].

Ukrainian forces were not agreed upon. These issues, the election of President Kuchma, and the Crimean move for independence kept the resolution of the Black Sea Fleet in limbo. Ukrainian energy debts, political will, and the need for integration into the European community combined in 1996, making the resolution of the Black Sea Fleet possible.

D. SOCHI ACCORD

Several summits after the April 12 1994 talks, the Sochi accord of 9 June 1995 was reached delineating the principles that would govern the division of the Fleet. These included the leasing of Crimean facilities by the Russian Black Sea Fleet and Ukrainian agreement to sell the majority of their portion of the fleet back to Russia in return for debt relief. A separate document, the 'Sochi Protocol', officially supported Ukraine's sovereignty over the Crimea. A second agreement, signed in November of 1995, outlined the schedule for division of the Black Sea Fleet.²⁸ However, difficulties in the first round of division resulted in the abandonment of the Sochi Accords. Russia's Minister of Defense cancelled the accord in April of 1996. The final transfer of 52 warships to Ukraine therefore failed to take place as scheduled in February 1996.²⁹

Negotiations resumed in the summer of 1996 in a combination of concessions and brinkmanship. On June 28th the Ukrainian Rada adopted a new Constitution. The new

²⁷ Ibid.

²⁸ James Sherr, "Russia – Ukraine Rapprochement?: The Black Sea Fleet Accords," *Survival Vol. 39 No. 3*, (Autumn 1997), p. 36.

²⁹ Ibid., p. 36.

Constitution, although not permitting foreign military bases on Ukrainian soil, in Article 17 allows for the leasing of existing facilities for the temporary basing of foreign forces in the Constitution's Transitional Provisions (Paragraph 14).³⁰ Although a tremendous move forward, this change did not mark the end of Ukrainian or Russian brinkmanship. On October 22, the Russian Duma passed a virtually unanimous resolution discontinuing the division of the Black Sea Fleet. In addition to halting the division of the Fleet, the Duma called for the return of the Crimea to Russia and the maintenance of the Fleet's combat readiness. In response, the Ukrainian Rada threatened to fix a date for total withdrawal of the Black Sea Fleet from Ukrainian territory, annul paragraph 14 of the constitution's Transitional Provisions, and launch impeachment proceedings against the President if he agreed to Russia's demands.³¹ These actions by the Duma and Rada ensured the collapse of negotiations on October 29, 1996. In response to the political brinkmanship, the executive branches of both governments were forced to resume talks on a more discreet level and as secretly as possible. Meetings were held between the Defense Ministers and military experts. Enough progress was made by May 9th that Yeltsin and Kuchma agreed to link the Black Sea Fleet issues with the signing of the Russian-Ukrainian Friendship Treaty.

E. BLACK SEA FLEET ACCORDS

Ukrainian Prime Minister Pavlo Lazarenko and Russian Prime Minister Chernomyrdin signed the Black Sea Fleet Accords in Kiev on May 28, 1997. The Accords addressed the three central issues as follows:

³⁰ Ibid., p. 36.

- The two nations split the Black Sea Fleet 50-50 with Russia to buy back some of the more modern ships with cash equaling 30 percent of the Fleet;
- Russia will lease the ports in and around Sevastopol for 20 years at \$97.75 million per year. Russia would also credit Ukraine with \$526 million for use of part of the fleet, as well as \$200 million for the 1992 transfer of Ukraine's nuclear arsenal to Russia. The payments will go toward reducing Ukraine's \$3 billion debt to Russia;
- Crimea (and the city of Sevastopol, built 214 years ago to proclaim the Russian empire's eternal dominion over the seas) is legally and territorially a sovereign part of Ukraine.³²

The division of the Black Sea Fleet forces agreed upon followed the system outlined in the Sochi Accords. The second stage of the Sochi Accord encompassing the transfer of 52 warships: one submarine, three frigates and 48 small vessels, and supporting forces was implemented. Although significant in numbers, the impact of this transfer has limited effect. The majority of these forces require major overhaul to return to an operational status.

³¹ Ibid., p. 37.

³² Tyler Felgenhauer. "Ukraine, Russia, and the Black Sea Fleet Accords." (February 1999). *Woodrow Wilson School Case Study 2/99*. Available [Online]: <http://www.wws.princeton.edu/~cases/papers/ukraine.html> [11 January 2001].

Russia's 20-year lease of facilities for the Black Sea Fleet represents an enormous concession on the part of Ukraine. While the agreement protects Ukraine's sovereignty over the Crimea and appears initially equitable, it places Ukraine in a significantly subordinate position. The Black Sea Fleet will lease 18,500 hectares of land, 15,000 of which are outside Sevastopol, including facilities in Simferopol, Yalta, Gvardeyskoye, Kacha, and Feodosiya, over the next 20 years.³³ In Sevastopol, the Russian Black Sea Fleet retains exclusive basing rights in Sevastopolskaya, Yuzhnaya, and Karantinnaya Bays and will share Streletskaya Bay with the Ukrainian Navy. Omega, Kamiyshovaya, Kazachya, and Balaklavskaya Bays are exclusively Ukrainian. The division is deceptive when listed this way. Omega Bay is a beach. Kamiyshovaya is the civilian port of Sevastopol. Kazachya Bay, if a subsequent agreement is concluded, will be demilitarized. Streletskaya Bay shared with Russia is only 7-8 meters deep and therefore cannot even berth the three newly transferred frigates.³⁴ Finally, Balaklavskaya has been non-operational for decades and can only support patrol vessels. In contrast, Sevastopolskaya and Yuzhnaya are the principal bays of Sevastopol, encompassing 512 berths with a depth of over 20 meters.³⁵ Although the agreement allows Ukraine to declare Sevastopol the Headquarters of the Ukrainian Navy and base ships there, Ukraine does not have the facilities to base any of its large warships there. This does not pose a significant problem currently given the state of Ukraine's fleet. Yet, in 10-to-15 years if the Ukrainian economy recovers and embarks on a program of naval construction, there

³³ James Sherr, "Russia – Ukraine Rapprochement?: The Black Sea Fleet Accords," *Survival* Vol. 39 No. 3, (Autumn 1997), p. 41.

³⁴ *Ibid.*, p. 42.

³⁵ *Ibid.*, p. 42.

could be significant tension as it looks for berths to base its fleet with Russia holding a 20-year lease.

Although numerous concessions were made in the final days to reach the final agreement, it required twenty additional intergovernmental agreements to implement the three signed on 28 May.³⁶ The agreements did not remove the political tensions within the Russian Duma and Ukrainian Rada that marred the negotiation process but circumvented them. However, the Accords were signed as Presidential directives and therefore could be implemented before ratification. The Accords, although signed in 1997, were not be ratified by the Russian Duma until 18 June 1999.

³⁶ Ibid., p. 40.

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III. STATUS OF THE UKRAINIAN NAVY

A. FOUNDATION OF AN INDEPENDENT UKRAINIAN NAVY

In 1991, an independent Ukraine focused on rapidly acquiring the structures recognized with statehood on the international realm. These included an independent Foreign Policy and Armed Forces. The failure of Ukraine to establish an adequate military during the civil war period of 1918-21 highlighted the necessity of these actions to the new government. Therefore, by December 1991 the Ukrainian Parliament had established the legal basis for the Armed Force with the navy as a subset. Ukraine was the first state within the CIS to establish an independent Armed Forces. Realizing the difficulties associated with the negotiations on the division of the Black Sea Fleet, Ukraine embarked on the development of a navy with the focus on its own resources and the principle of non-reliance on the Black Sea Fleet forces. This proved a difficult process beset primarily with financial issues and paper solutions.

1. Beginning at Zero

With the Black Sea Fleet not under Ukrainian control and negotiations continuing at a slow and disruptive pace, the formation of the Ukrainian Navy began. The Ukrainian Navy in concept was mandated to protect the country's coastline and merchant fleet. The navy was also to operate as a blue ocean navy protecting Ukrainian interests in the Mediterranean and the world. Initially in 1992, Vice Admiral Borys Kozhyn, then commander of the Ukrainian Navy, declared that the navy would need surface ships,

submarines, naval aircraft, and coast guards.³⁷ The creation and formation of the Ukrainian Navy initially focused on the utilization of its own resources. It involved five steps:

1. Formation of the command structure;
2. Organization of the first formations composed of vessels undergoing completion at Ukrainian shipyards;
3. Organization of naval aviation;
4. Creation of the first Marine units;
5. Establishment of a system of naval schools, training centers, and initial structures for the preparation of naval personnel.³⁸

The Ukrainian Navy began during the period in early 1992 with various units swearing allegiance to the people of Ukraine. The establishment of a command structure, naval schools, and training centers proceeded with initial success. Ukraine restructured the Former Soviet Union Maritime districts into two commands comprising a Western Naval Command including a River Fleet Brigade, a Southern Maritime District, a Directorate of Naval Aviation, a Marine Brigade, and one Special Forces Brigade. By early 1994, the naval infantry brigade consisted of three battalions, a training company, a communications company, engineer company, independent logistics support company, a squadron of helicopters, two light-assault vessels, and a hydrofoil. In addition, Ukraine established two battalions armed with light artillery, APCs and tanks as a shore defense

³⁷ David Matvey. "Voskreseniye: Ukrainian Military in the 1990s." (1996) Available [Online] <http://www.legacyrus.com/PoliticalScience/Matvey/Voskreseniye.html> [05 February 2001].

³⁸ Mykhailo B. Yezhel, "The Birth of the Ukrainian Navy," United States Naval Institute, Proceedings, (Annapolis; United States Naval Institute, March 2000), p. 62.

force.³⁹ These initial successes, while significant were completed outside of the Crimea, the concentration of the Black Sea Fleet, and did not provide the requirement for a Navy of ships.

Naval Patrol Ship 112 became the first ship of the Ukrainian Navy on July 20, 1992, defecting from the Black Sea Fleet. However, the acquisition of additional ships and forces had limited success. By 1993, the navy had only one command ship, the *Hetman Sahaidachniy*. Ukraine acquired 40 patrol craft in 1994 and the 318th Division from the Black Sea Fleet in 1995. Thus by 1995 it was apparent that Ukraine could not produce a navy based solely on its own resources. The Ukrainian Navy as a fighting force was completely dependent on the settlement of the Black Sea Fleet negotiations.

2. Cooperation to Succeed

Unable to function as an independent naval power, Ukraine proceeded down a path of integration with the Western Powers to supplement the deficiency. Ukraine signed the "Memorandum of Understanding and Cooperation on Defense and Military Relations" with the United States on 27 July 1993. In 1994, Ukraine became a part of NATO-sponsored Partnership for Peace (PfP). Partnership for Peace and the United States provided the funds for the majority of Ukrainian naval operations. From 1994 to 1998, Ukraine conducted eight multinational exercises in the Black Sea region with six of them under the auspices of PfP. Prior to Ukrainian-US Sea Breeze-98 exercise, over one million dollars provided by the United States under the auspices of NATO was spent on the reconstruction of what the Ukrainian Independent Information & News Agency

³⁹ "Navy, Ukraine." *Jane's Sentinel Security Assessment -RUSSIA and the CIS -Update 4.* (1999).

(UNIAN) termed a 'practice harbor' in Odessa, where naval ships and personnel are based.⁴⁰ These were the first repairs on the Odessa harbor in thirty years. PfP established the Yavoriv Partnership for Peace Training Center in 1999. Ukraine's active participation in the PfP exercises and exchanges with the United States is a direct reflection on the West's willingness to pay for the programs; the United States alone allocated \$2.5 million in 1997 and \$2 million in 1998.⁴¹ However, this does create tensions with Russia. Ukraine attempts to carefully balance its relationship between the West and Russia. Ukraine's success in balancing Russia's desires against Western integration has been limited. Admiral Komoedov, the commander of Russia's Black Sea Fleet stated, "Facing Europe means back to Russia," when discussing Ukrainian involvement with NATO. Ukraine cannot afford to relinquish its ties to the West without developing an alternate source of funds and training. Therefore, the balancing act will continue.

3. Post Black Sea Fleet Accords

After the signing of the Black Sea Fleet Accords and their ratification in 1999, Ukraine must now develop its independent naval forces. From 1997 through 2000, Ukraine has focused on the integration of remaining Black Sea Fleet forces into its fleet.

Available [Online] <http://fore.thomson.com/janes>. [18 January 2001].

⁴⁰ Ibid.

⁴¹ "Military Reform in Ukraine: The Start of Another False Start?" *NATIONAL SECURITY & DEFENCE No. 1*. (February 1999). Available [Online] http://www.uceps.com.ua/eng/all/journal/2000_1/html/2.shtml [05 March 2001].

This process is complete and now Ukraine must look to the future. Ukraine must develop a maritime doctrine and the forces to employ that doctrine meeting its national interests.

B. CURRENT NAVAL FORCES STATUS

With the division complete, Ukraine now has the third largest fleet in the Black Sea. The status of the Ukrainian Navy is no longer in flux. Now the navy must assess its current structure and development. Ukraine must accomplish this with a view toward the future and what will be required to meet its national interests.

1. Force Structure

Ukraine's current force structure is that of the Cold War Soviet Union. Its ships are of Soviet design and development. With division of the Black Sea Fleet nearing completion, the Ukrainian Navy has over 120 vessels with 48 warships (see table 1) and various river craft. These forces, although not primarily (in numbers) a blue water navy, were constructed around the principle of one. The majority of the Ukrainian naval air component transferred from the navy to the air force. The navy does maintain one squadron of Ka-25 and Ka-27 anti-submarine aircraft and a squadron of Ka-29 naval assault helicopters. In addition to the navy's ships, the Maritime Border Guard controls a fleet of over 100 river craft. Although this places Ukraine as the third largest Navy in the Black Sea and 40th world wide, these are deceptive figures.⁴²

⁴² Mykhailo B. Yezhel, "The Birth of the Ukrainian Navy," *United States Naval Institute Proceedings*. (Annapolis: United States Naval Institute Press, March 2000), p. 62.

Type	Role	Quantity
Krivak III	Frigate	1
Krivak II	Frigate	1
Krivak I	Frigate	1
Foxtrot	Patrol Submarine	1
Grisha V	Corvette	3
Grisha III	Corvette	1
Grisha II	Corvette	2
Petya III	Training Ship	1
Petya II	Corvette	1
Molnaya-M	Missile boats	2
Matka	Missile boats	4
Pauk I	Patrol boats	3
Yurka	Patrol Minesweeper	2
Ropucha I	Landing Ship Tank	1
Poinochny C	Landing Ship Medium	1
Pomornik	Amphibious Assault	5
Bambuk	Command Ship	1
Kamchataka	Command Ship	1
Various	Auxiliaries	15
MIR	Sail Training Ship	1
Totals		48

Table 1 Ships of the Ukrainian Navy 1999⁴³

2. Acquisition

The acquisition of new ships and equipment for the Ukrainian Navy is a problem without a feasible solution. In the first quarter of 1999, Ukraine allocated 500 thousand dollars for acquisition of weapons and military equipment.⁴⁴ This is enough to possibly

⁴³ Andrew Toppan. "World Navies Today: Ukraine." *World Navies Today*. (02 May 1999). Available [Online] <http://www.hazegray.org/worldnav/europe/ukraine.htm> [19 March 2001].

⁴⁴ Mykhailo B. Yezhel, "The Birth of the Ukrainian Navy," *United States Naval Institute Proceedings*.

purchase several air-to-air missiles. In addition, quarterly Research and Development funding is at 0.58 percent of budget.⁴⁵ The only opportunity for the navy to receive new ships in the near future is the completion of those ships already under construction. Ukraine has four ships in various stages of construction. These include the battle cruiser *Ukraine*, a yet unnamed corvette, and two anti-submarine vessels, *Luhansk* and *Lviv*.⁴⁶ The battle cruiser *Ukraine* is 97 percent complete, however, the Ukrainian government does not have the three million US dollars required to finish the construction.⁴⁷ In addition, once construction is complete Ukraine must appropriate the funds to purchase the missiles for the ship from Russia. With the state of the economy and the lack of funds to even maintain the current ships, it is unlikely that Ukraine will be able to acquire any new ships or develop better and new technologies.

3. Force Capability

John Paul Jones said, "Men mean more than guns in the rating of a ship." Despite the truth of this statement, the fact remains that even if a sailor knows how to fight, his ship must be capable of it. The Jane's Navy International said in 1998 only a part of the Ukrainian Navy – 44 fighting ships, 80 auxiliary vessels and 60 helicopters

(Annapolis: United States Naval Institute Press, March 2000), p. 62.

⁴⁵ Ibid.

⁴⁶ "Ukrainian newspaper on situation in Navy and relations with Russia," *Zerkalo Nedeli'* BBC *Monitoring International Reports*. (05 August 2000). Global News Bank Available [Online] http://infoweb12.newsbank.com/bin/gate.exe?state=f747hd.6.15&f=doc&p_nb_id=T73N5A. [26 January 2001].

⁴⁷ Ibid.

and airplanes – is battle ready.⁴⁸ By August of 2000, only 10 of Ukraine's fighting ships could be considered fit for battle.⁴⁹ The majority of Ukraine's ships have not left the pier. Military units routinely only receive 5 – 15 percent of the required fuel and many are utilizing emergency fuel reserves for routine functions.⁵⁰ NATO-funded maneuvers are the only exercises routinely completed. The only two ships consistently underway, the *Slavutych* and *Hetman Sahaidachniy*, are currently configured only to show the flag but not defend Ukrainian shores.⁵¹ The single Ukrainian Foxtrot submarine has not been underway since before the collapse of the Soviet Union. The once mighty battle fleet that comprised 20 percent of the Soviet Union's Black Sea Fleet is now little more than rusting hulks alongside piers in Ukrainian harbors.

C. CONTINUING TENSIONS

In addition to the internal problems of force structure and capability, Ukraine must also continue to deal with tensions between the Russian Federation's Fleet and the domestic population. At various times the Russian Black Sea Fleet has gone without electricity and water for weeks at a time. The city of Sevastopol shuts off supplies due to

⁴⁸ Stefan Korshak. "Ukraine: Navy Troubled by Lack of Funds, Relations With Russia." *Radio Free Europe: Radio Liberty*. (12 August 1998). Available [Online] <http://rferl.org/nca/features/1998/08/F.RU.980812102001.html>. [02 February 2001].

⁴⁹ "Ukrainian newspaper on situation in Navy and relations with Russia," *Zerkalo Nedeli' BBC Monitoring International Reports*. (05 August 2000). Global News Bank Available [Online] http://infoweb12.newsbank.com/bin/gate.exe?state=f747hd.6.15&f=doc&p_nb_id=T73N5A. [26 January 2001].

⁵⁰ "Military Reform in Ukraine: The Start of Another False Start?" *NATIONAL SECURITY & DEFENCE No.1*. (February 1999). Available [Online] http://www.uceps.com.ua/eng/all/journal/2000_1/html/2.shtml [05 March 2001].

⁵¹ Stefan Korshak. "Ukraine: Navy Troubled by Lack of Funds, Relations With Russia." *Radio Free Europe: Radio Liberty*. (12 August 1998). Available [Online] <http://rferl.org/nca/features/1998/08/F.RU.980812102001.html>. [02 February 2001].

non-payment of debts. The Russian Navy must request permission three days in advance from the Ukrainian government to go to sea.⁵² Although the basis of the accords established payment regimes and schedules, it did not resolve the day-to-day issues of governance and support. The arrangement left large gaps in the relationship between the Russian forces stationed in Sevastopol and Ukraine.

⁵² "Ukraine puts Russian Black Sea Fleet in 'humiliating position.'" *BBC Worldwide Monitoring*. (02 February 2000). Global NewsBank record Number: 00805E26DA222068014A. Available [Online] <http://infoweb12.com> [26 January 2001].

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IV. STRATEGIC CONCERNS

The stability of the Black Sea region is critical to Ukraine. The division of the Black Sea Fleet and its corresponding infrastructure is more a political and strategic problem vice logistical. The Black Sea region holds numerous strategic issues that are vital to both Ukraine and the Russian Federation's foreign policy. One of the six littoral nations of the Black Sea, Ukraine has approximately 2,782 kilometers of coastline. Ukraine depends on foreign trade for 42 percent of its Gross Domestic Product with 60 percent of its exports going to CIS and Europe.⁵³ The Ukrainian merchant marine carries approximately 18 million tons of cargo and six million passengers per year consisting of 1,270 vessels with a freight-carrying capacity of 2.5 million tons.⁵⁴ These facts, combined a resurgent Russian Federation and the emergence of the Black Sea as energy corridor for Caspian Sea oil, validate the need for Ukraine to have adequate naval force to protect its continued development as a regional power.

A. UKRAINE: NATION-BUILDING

The primary driving factor in Ukraine's negotiations over the Black Sea Fleet and the corresponding issues has been one of nation-building. "The consolidation of Ukrainian state sovereignty in foreign policy demonstrates Ukraine's real return to the world's community of developed nations as a full-fledged and active geopolitical

⁵³ "Ukraine on the International Markets: Problems and Prospects." *National Security & Defense No. 6*. (March 2000). Available [Online] http://www.uceps.com.ua/eng/all/journal/2000_6/html.2.shtml [21 February 2001].

⁵⁴ Mykhailo B. Yezhel, "The Birth of the Ukrainian Navy," *United States Naval Institute Proceedings*. (Annapolis: United States Naval Institute Press, March 2000), p. 62.

subject.”⁵⁵ Without a valid treaty officially codifying its borders from the Russian Federation and a vast military force not under national control, Ukraine could not function as an independent actor on the international stage.

Recognizing the new uni-polar world with the dissolution of the Soviet Union, Ukraine viewed the United States and the West as the only means to guarantee its security. For this reason its efforts focused on NATO and the European Union, relegating the Russian Federation and CIS to secondary roles. Ukraine officially declared its multi-vector policy in the National Security Concept of Ukraine signed in 1997 and then reiterated it in 1998 as part of the government-sponsored monograph *Ukraine 2000 and Beyond: Geopolitical Priorities and Scenarios of Development*. The National Security Concept of Ukraine develops 32 different main directions for state security covering all spheres of influence. Ukraine 2000-and-Beyond focuses on the nine primary foreign policy goals for Ukraine:

1. The revival of a European identity.
2. The policy of active neutrality
3. The consolidation and development of a strategic partnership with the United States of America
4. The support and development of equal and mutually beneficial relations with the Russian Federation.
5. Strong regional policy.

⁵⁵ Ukraine 2000 and Beyond: Geopolitical Priorities and Scenarios of Development.” *National Institute of Strategic Studies*. (01 January 1999). Available [Online] <http://www.niss.gov.ua/book/eng1/002.htm> [27 October 2000].

6. The strengthening and consolidation of special relations with strategically important neighbors.
7. The formation of a strategic Polish – Ukrainian – Turkish triangle.
8. Active participation in the creation of European and Eurasian transportation corridors.
9. The support and enlargement of the economic (including military – economic) and political presence of Ukraine in the Middle East, Central and South Asian, and Asian Pacific Rim states.⁵⁶

These goals signify the primary method that Ukraine plans to utilize to develop its national security and ensure its independence and sovereignty.

Integrating Ukraine politically, militarily, and economically with the European Union and NATO encompasses Ukraine's concept of developing a European identity. These efforts are in conjunction with the second goal of "active neutrality". Active neutrality as conceived by Ukrainian political elites provides for a status similar to the Swedish one in its relations with European security structures.⁵⁷ However, this ignores the tremendous financial cost associated with such a policy. In addition, it is not logically consistent with Ukraine's desire to become a full member of NATO. If a member of NATO, it will be impossible to maintain "active neutrality". Ukraine's goal of a strategic partnership with the United States is the primary tool for further integration

⁵⁶ Ibid.

⁵⁷ Ibid.

into NATO. On November 14 2000, the Ministry of Foreign Affairs Deputy Spokesman stated, "Let me remind you that the relations of strategic partnership with the United States of America fall within the most important priorities of Ukraine's foreign policy determined by the President of Ukraine."⁵⁸ Ukraine's primary focus of foreign policy has been and appears will continue to be integration with the West.

The desire to avoid developing a critical dependence on the Russian Federation and thereby losing their ability to pursue independent foreign policy goals drives Ukraine's interaction with the Russian Federation. As the one of the largest countries in the region, Ukraine seeks to develop its role as both a guarantor of stability and strategic trade partner in the area.

The last four foreign policy goals promote Ukraine's intent to develop independent security and trade relationships that are not based on the desires of other large powers. Ukraine sees the development of a strategic corridor from the Caspian-Black Sea region to the Balkans as critical for balancing the desires of the Russian Federation in the region. The formation of a Polish-Ukraine-Turkish triangle is an effort to further its NATO ambitions while creating a stability belt in the region. Finally, development of a transportation corridor and its increased presence in the Middle East and Asian regions are efforts to decrease Ukrainian dependence on the Russian Federation for resources and develop a market for its defense industrial capacity.

⁵⁸ "Excerpts from Briefing on Current Foreign Policy Issues Press-Release #42." *Ukrainian Ministry of Foreign Affairs*. (14 November 2000). Available [Online] <http://www.mfa.gov.ua/eng/info/b2000/1114.html> [03 December 2000].

Ukraine's multi-vectored foreign policy influence underpins its strategic concerns in the region. On paper, these foreign policy goals appear as a strategically balanced and successful policy. However, the reality depends on the forces or means utilized to accomplish these goals and the security environment in which they must operate.

B. REGIONAL SECURITY

The regional security environment of Ukraine is a synthesis of the interests of foreign powers in the area, its own domestic conditions, and the stability of the countries on its border. The security environment of any country is evaluated through the prism of the threats to national interests. The National Security Concept lists 40 main potential threats to Ukraine's national security in political, economic, social, ecological, scientific-technological, information-related, and military spheres. The military sphere focuses on seven potential threats;

1. Encroachments on the state sovereignty and territorial integrity of Ukraine;
2. The accumulation of military forces close to the Ukrainian borders which breaks the existing balance of forces;
3. Military and political instability, conflicts in neighboring states;
4. The possibility of use of nuclear weapons or other weapons of mass destruction against Ukraine;
5. A sharp decrease of the military capabilities and combat readiness of the state military organization;
6. The politicization of Ukraine's state military structures;

7. The creation and functioning of illegal armed formations.⁵⁹

These threats allow the breakdown of strategic concerns into four areas: 1) the resurgence of the Russian Federation; 2) Turkey's emergence as a power in the region; 3) the Caspian Oil Pipelines; and 4) Political or Military instability. Each of these areas poses a significant threat to the stability of the region. Ukraine must continue to work to address these areas to provide the stability needed to emerge from its economic difficulties.

1. Russia

The Russian Federation's strategic concerns, while not as immediate as Ukraine's, pose no less a political problem in Moscow. Russia needs to acquire ships and an area from which to base them. While a maritime component in the Black Sea does not offer any real strategic benefit, it does provide Russia with a symbolic instrument to reassert its power on the southern flank. Andrey Kokoshin, former secretary of the Russian Security Council stated that the navy should be regarded as a weapon of diplomacy working for the national economy and providing for the vital interests of every individual.⁶⁰ This specifically addresses Turkey, the Caucasus, and future Caspian Oil pipelines. One observer noted, "Even a small, decaying fleet will give Russia a presence."⁶¹ The economic condition of the Russian Federation precludes the building of any new facilities

⁵⁹ Ibid.

⁶⁰ Andrey Kokoshin. "Ex-secretary of Russian Security Council says navy should play special role." (23JUL99). *Russia TV, Moscow, BBC Monitoring International Reports. Global NewsBank*. [HTTP]. Available: <http://infoweb12newsbank.com>. [26JAN2001].

⁶¹ Stephen Erlanger. "'Red' Fleet in Black Sea Split," *New York Times News Service*, (11 June 1995). Available[Online] <http://www.b-info.com/places/Bulgaria/news/95-06/jun11a.tk> [20 February 2001].

on the Black Sea. Therefore, it is necessary that Russia maintain its presence on the Crimea.

With the expansion of NATO the balance of forces has increased to five-to-one in favor of NATO.⁶² In the aftermath of Operation Allied Force, the threat of a resurgent Russian Federation took on new life in Ukraine. The fears of an adverse reaction by Russia in response to NATO's actions in Kosovo were highlighted by the response of the Ukrainian parliament in 1999. There was a proposed bill that would have broken off all relations with NATO until they ceased their actions in Kosovo. These fears appeared to be well-founded when the new Russian Federation Foreign Policy and Military Doctrine were published in 2000. Ukraine has always maintained a fear that Russia would attempt to reabsorb it, if not by peaceful means, then by military or economic. The new Russian Federation Foreign Policy states, "Russia must be prepared to utilize all its available economic levers and resources for upholding its national interests."⁶³ This is critical to Ukrainian security due to its dependence on Russian fuel supplies. Russia provides Ukraine with about 90 percent of its oil and about 60 percent of its gas.⁶⁴ This places Ukraine in a precarious position should Russia decide to press the issue of Ukraine's pro-western stance.

⁶² Oleksiy Havrylenko. "Does Ukraine Need a New Military Doctrine?" *UCEPS National Security & Defense*. (12 June 1999). Available [Online] http://www.uceps.com.ua/eng/nsdec_havrylenko.pdf [10 November 2000].

⁶³ Nikolai Sokov. "Russia's New National Security Concept: The Nuclear Angle." *Center For Nonproliferation Studies*. Available [Online] <http://cns.miis.edu/pubs/reports/sokove2.htm>. [25 September 2000].

⁶⁴ Sanders. "Ukraine on the Periphery of Europe." *International Studies Association 41st Annual Convention. Columbia International Affairs Online*. (18 March 2000). Available [Online] <http://www.cc.columbia.edu/sec/dlc/ciao/isa/sad01/sad01.html> [03 December 2000].

Ukraine has a significant Russian minority of approximately twenty percent. Russia's new policy focuses on this minority specifically in two places;

1. ...to protect the rights and interests of Russian citizens and compatriots abroad on the basis of international law and operative bilateral agreements. The Russian Federation will seek to obtain adequate guarantees for the rights and freedoms of compatriots in states where they permanently reside and to maintain and develop comprehensive ties with them and their organizations;
2. Practical relations with each of them (CIS member states) should be structured with due regard for reciprocal openness to cooperation and readiness to take into account in a due manner the interests of the Russian Federation, including in terms of guarantees of rights of Russian compatriots.⁶⁵

Russia does not specifically state what these guarantees entail. This fact is what prompts concern in Ukraine. The Russian Federation has utilized peacekeeping forces in Abkhazia, Moldova, and Tajikistan in the past to advance its purposes and might possibly do the same again. The Russian Federation states in its Military Doctrine that, "Discrimination and the suppression of the rights, freedoms and legitimate interests of the citizens of the Russian Federation in foreign states;" is a cause for the use of force.⁶⁶

⁶⁵ Nikolai Sokov. "Russia's New National Security Concept: The Nuclear Angle." *Center For Nonproliferation Studies*. Available [Online] <http://cns.miis.edu/pubs/reports/sokove2.htm>. [25 September 2000].

⁶⁶ "Military Doctrine of the Russian Federation," *Nezavisimaya Gazeta*, (22 April 2000).

Also the actions of NATO in Kosovo without United Nations approval, gives this idea a sense of credibility.

Finally, the publishing of the Military Doctrine of the Russian Federation solidified Ukraine's fears of the use of nuclear weapons against them,

The Russian Federation keeps the right to use nuclear weapons in response to the use of nuclear arms and other WMD (weapons of mass destruction) against it or its allies, and in response to a large-scale aggression with the use of conventional arms in situations critical for the national security of the Russian Federation.⁶⁷

What are the situations critical for national security that the Russian Federation mentions? This ambiguity leaves a large gap in Ukraine's ability to evaluate the threat potential of the Russian Federation's position. Therefore, it is only prudent to evaluate it as a possible threat. The threat that the Russian Federation offers Ukraine may or may not be real. However, it does highlight a need for Ukraine to address the concerns of the Russian Federation. Having never ratified the Commonwealth of Independent States (CIS) Treaty, establishing GUUAM as an alternative to CIS, and developing close ties to the European Union and NATO, Ukraine has alienated its largest neighbor. Russia's Black Sea Fleet commander Admiral V. Komoedov described Ukraine's course towards European integration by stating, "facing Europe means back to Russia."⁶⁸ The general consensus is that Ukraine's foreign policy is leading Russian-Ukrainian relations into a deadly stalemate.

⁶⁷ Ibid.

⁶⁸ Valeriy Chaly and Mykhail Pashkov. "The Opposite Side of the Strategic Partnership." *Zerkalo nedeli* No. 15(292). UCEPS. (15 April 2000). Available [Online] <http://www.uceps.com/ua/eng/publications/15-01-2.html> [04 December 2000].

2. Turkey

As the gatekeeper and largest of the Black Sea area nations, Turkey plays a significant role in the security of the region. A NATO member, Turkey's stance is pro-western in nature. However, over the course of the 1990s Turkey sought to stabilize the region through bilateral relations and regional institutions. Turkey's primary strategic goal has been to avoid the remilitarization of the Black Sea or the reemergence of a Russian Black Sea Fleet. Turkey took the lead in the formation of the Black Sea Economic Cooperation forum in 1992 and the Black Sea Naval Force in 1998.⁶⁹ In addition to this Turkey has limited naval deployments in the Black Sea to average two or three frigates and one or two submarines at any one time. However, Turkey is currently undergoing a vast naval construction plan. It will build or purchase 12 new corvettes before 2008.⁷⁰ Turkey has significant interests in Caspian Sea Oil pipelines with two possible routes passing through Turkey. These factors make Turkey a necessary concern for Ukraine when assessing regional stability and the necessity for their own maritime force.

⁶⁹ Ahmed Hashim and Vladimir Lehovich, "Issues for the U.S. Navy in the Black Sea Region: Country Profiles and Recommendations Russia, Turkey, Ukraine, Romania, Bulgaria, Georgia," Center for Naval Analyses CRM D0000572.A2/Final, (Alexandria, VA: Center for Naval Analyses), p. 57.

⁷⁰ "Ukrainian newspaper on situation in Navy and relations with Russia," *Zerkalo Nedeli* BBC *Monitoring International Reports*. (05 August 2000). Global News Bank Available [Online] http://infoweb12.newsbank.com/bin/gate.exe?state=f747hd.6.15&f=doc&p_nb_id=T73N5A. (26 January 2001).

3. Caspian Sea Oil

Money is power and in the CIS and the Black Sea region, money equals control of energy resources. For both Ukraine and the Russian Federation, the development of the Caspian Sea oil field looms large on the horizon. Four pipeline routes, Baku-Novorossiysk, Baku-Ceyhan, Baku-Supsa-Samsun-Ceyhan, and the Ukrainian route, have been worked out to transport oil from the Caspian Sea to European markets. The Ukrainian route goes from Baku to Tbilisi to Supsa, then Odessa, and on to Europe via Brody, then Poland and Germany. The activation of the Odessa oil terminal gives Ukraine considerable opportunity to regulate oil flows from the Middle East and Caspian region into Europe. The Odessa terminal is twenty-five percent complete.⁷¹ The Azerbaijan International Operating Company (AIOC) approved the construction of two routes Baku-Novorossiysk and Baku-Supsa. However, limited construction has occurred on either pipeline since their approval in 1995. This has been primarily due to the instability in the region. Ukraine looks to this development to relieve some of the economic dependence on Russian Federation energy supplies. The possibility of pipelines that avoid the Russian Federation threatens Russia's dominance of the Commonwealth of Independent States. In response to Ukraine's development of an alternate to Baku-Novorossiysk, Russia has embarked on three projects to bypass the current transport corridor through Ukraine. Almost ninety-seven percent of Russian gas

⁷¹ "The Odessa-Brody Pipeline: A Ukrainian Project of Diversifying Fuel and Energy Sources for Europe." *Occasional Paper 41/2000 CPCFPU*. (2000). Available [Online] <http://www.foreignpolicy.org.ua/e/op/2000ope41.phtml> [15 March 2001].

is transported to Europe over Ukraine's territory.⁷² The Caspian Sea oil field production should reach the equivalent of the North Sea within the decade. The possible monetary gains and political ramifications ensure that compromise on the issue will be difficult.

4. Political or Military Instability

The threat of political or military instability and of possible conflict in the Black Sea region is a continuing reality. Ukraine falls within a belt of instability stretching from the Balkans to Central Asia. Economic weakness, corruption, illegal immigration, organized crime, and terrorism threaten the stability of each of the countries in the region. Adequate structures for the peaceful resolution of disputes between countries and internally within a country do not exist in most of the region. Though the conflicts in the Balkans and Chechnya have received the most publicity, there are other ethnic and military issues currently in the region. The so-called "frozen" conflicts of the region are a significant threat to regional stability. The conflict in Transdnistria (Moldova, Russia, Romania) has not been resolved. In Abkhazia (Georgia, Russia, Turkey), the issues remain but negotiations are in progress. Ukraine with OSCE support sponsored the current Abkhazia negotiations. In addition, in Karabakh (Armenia, Azerbaijan, Russia, Turkey) the Kurdish issue remains at a slow steady boil. These areas are potential hotbeds for conflict. The issues in Abkhazia and Karabakh are also delicate issues due to Turkey's membership in NATO. Although these conflicts are currently "frozen", they represent a continual threat to the weak stability of the countries in that region.

⁷² Valeriy Chaly and Mykhail Pashkov. "The Opposite Side of the Strategic Partnership." *Zerkalo nedeli* No. 15(292). UCEPS. (15 April 2000). Available [Online] <http://www.uceps.com/ua/eng/publications/15-01-2.html>. [04 December 2000].

V. ANALYSIS OF UKRAINIAN NAVY

Ukraine's foreign policy goals, conception of threats to its national interest, and strategic uncertainties in the Black Sea region necessitate the evaluation of the Ukrainian Navy's command and force structure. A "Top-Down" method of analysis is the most viable planning approach. As a young democracy, Ukraine is still in a stage of political transition. Therefore, a critical analysis of its navy based on military functions that support Ukraine's national interests is required.

A. METHODOLOGY

The objective of force planning is the synthesis of numerous competing variables to achieve a structure capable of implementing the national strategy. Over the years, scholars developed various methods of accomplishing this balance. Each method of force planning utilizes specific variables as driving factors, giving greater weight to different aspects of the national security decision-making process. Ukraine's economic, political, and military situation lends itself most readily to a "Top-Down" approach.

Henry C. Bartlett in "The Art of Strategy and Force Planning" lists nine different approaches to military force planning. Each alternative offers different benefits and pitfalls for the planners (See Table 2). The particular social, economic, political, and military conditions in Ukraine make the majority of these methods unacceptable. The methods of "Hedging", "Technology", and "Fiscal" are not viable for Ukraine due to the prevailing economic conditions. The Ukrainian military is funded at only 40 percent of budget. Therefore, any approach that utilizes the budget as a driving factor or high cost as a pitfall is a poor choice for military force planning.

Approaches	"Drivers"	Strengths	Pitfalls
Top-Down	Interests/ Objectives/ Strategies	Concentrates on ends Systematic (macro-view) Integrates tools of power	Ignores constraints too long Fear of challenging higher levels Public awareness of strategy
Bottom-Up	Current military capability	Emphasizes real world Helps improve current war plans	Neglects future Loses big picture
Scenario	Situation/ Circumstances	Specific focus Encourages priorities Dynamic—handles time well	World is unpredictable Takes on life of its own Tends to be retrospective
Threat	Opponents	Focus on future Balance of power Emphasizes military capability	Too simplistic Adapts poorly to sudden change Inherently retrospective Biased by quantitative data
Capability/ Mission	Function	Realistic appraisal of capabilities Sets priorities Confronts uncertainty	Tendency toward suboptimization May ignore higher goals Understates friendly strengths
Hedging	Minimizing Risk	Assures balance and flexibility	Exaggerates rivals' capabilities Worst-case scenarios High Cost
Technology	Superior Systems	Stresses knowledge and creativity Saves lives and cuts casualties Force multiplier	Often costly for small gain High risk Works against balanced forces
Fiscal	Budget	Supports democratic process Requires setting priorities	May not reflect security environment Worsens cyclical spending Leads to "fair sharing"

Table 2 Alternative Approaches to Force Planning⁷³

⁷³ Henry C. Bartlett, Paul Holman Jr., and Timothy E. Somes, "The Art of Strategy and Force Planning," *Strategy and Force Planning 2nd Edition*, (Newport: Naval War College Press, 1997), p.25.

“Threat” and “Scenario”, while adequate methods of planning, are difficult for Ukraine to utilize. The instability of the region and lack of transparency require large assumptions with a high degree of uncertainty to implement these methods. A “Bottom-Up” approach focusing on current military capabilities does not adequately support the protection of Ukrainian national interests. Ukraine’s current capabilities were developed under the Soviet system and do not reflect the current threat or the ability to respond to future developments.

The “Top-Down” approach offers the most reliable method of military force planning for Ukraine. Given constraints and lack of experience in running the military machine, Ukraine needs to apply a “Top-Down” approach. Ukraine must act decisively. Other countries can afford just to make adjustments and slight changes because their armed forces have been functioning satisfactorily for many years, on a stable legislative basis. The “Top-Down” approach will create a stable and sustainable system that could function within the established resource limitations. Ukraine has a developed Foreign Policy and National Security Concept. These documents provide the “drivers” for this method. Although one of the pitfalls of the “Top-Down” approach is that it ignores constraints, there is a need for an initial assessment of the requirements to satisfy the national interests of Ukraine. The integration of the various tools of power in a “Top-Down” system supports the enhancement of civilian control of the military and the needed legal basis for the functioning of the Navy. However, to accomplish a “Top-Down” analysis of the Ukrainian Navy requires specific military functions be delineated.

B. MILITARY FUNCTIONS

Ukraine's navy, although established in 1991, has not been given specific military functions under current laws. The national security concept states that one of the main functions of the system of guaranteeing the national security is forming an organization structure of the system and state bodies constituting it to guarantee the national security, division of their functions.⁷⁴ However, no legal document establishes the division of the responsibilities of the various bodies of state military organization. Article 17 of Ukraine's constitution, the military doctrine, and national security concept provide five general tasks for the state military organization (including the navy):

1. Defense of Ukraine.
2. Protection of its sovereignty, territorial integrity, and inviolability.
3. Counteract external and internal threats to state security of a military character.
4. Struggle against organized crime.
5. Provide protection for the population in case of catastrophes, natural calamities, dangerous social conflicts, epidemics, etc...⁷⁵

No other official document develops further details regarding the military functions. Without specified tasks, it is difficult to evaluate the success or failure of the current command and force structure. For this analysis, the United States Department of

⁷⁴ National Security Concept, See Appendix.

⁷⁵ These five tasks are a synthesis of those found in each of the three documents.

Defense Directive 5100.1 will be used as a model.⁷⁶ This directive delineates the functions of the Department of Defense and its major components in a hierarchal format corresponding to the support of United States national interests. Anatoliy S. Grytsenko, president of the Ukrainian Center For Economic and Political Studies (UCEPS), utilized a similar method of formulating military functions in his paper "Defense Reform in Ukraine: Defining Strategic Goals & Military Functions Of the Armed Forces." Functions of the Ukrainian Ministry of Defense can be broken down in the same manner. However, this analysis will focus on just the functions associated with the navy. These functions derive from a confluence of the five listed tasks, the military threats listed in the national security concept,⁷⁷ and Ukraine's foreign policy goals.⁷⁸

Based on an analysis of these legislative factors, the economic constraints on Ukraine, and viewed through the prism of the threat assessment in Chapter IV, three strategic goals become apparent:

1. Defense of Ukraine, its sovereignty, territorial integrity and inviolability of its borders
2. Contribute to military-political stability in the region and in the world
3. Contribute to internal stability of Ukraine.⁷⁹

⁷⁶ William H. Taft. "Department of Defense Directive Number 5100.1, September 25, 1987." *United States Department of Defense*. (25 September 1987). Available [Online] <http://web7.whs.osd.mil/pdf/51001p.pdf>. [07 April 2001].

⁷⁷ See Chapter IV B. Regional Security.

⁷⁸ See Chapter IV A. Ukraine: Nation-Building.

⁷⁹ Anatoli S. Grytsenko. "Defense Reform in Ukraine: Defining Strategic Goals & Military Functions of the Armed Forces." *Centre for European Security Studies*. (01 January 1999). Available [Online] <http://www.odur.let.rag.nl/cess/research.htm>. [22 November 2000].

Grytsenko initially developed these three strategic goals in 1999, going through the same process for the Armed Forces of Ukraine. These strategic goals are a reduced way to incorporate Ukraine's national interests found in the national security concept. Under these three goals, there are military functions that correspond specifically to the navy. The author utilized the United States model and those functions already developed by Grytsenko to formulate 46 military functions for the Ukrainian Navy.

1. Defense of Ukraine, its sovereignty, territorial integrity, and inviolability of its borders.

- 1.1. Organize, train, equip, and provide navy and naval infantry forces for the conduct of prompt and sustained combat incident to operations at sea, including operations of sea-based aircraft and land-based naval air components.
- 1.2. Suppress enemy sea commerce.
- 1.3. Control vital sea areas and protect vital sea lines of communication.
- 1.4. Establish and maintain local superiority in an area of naval operations.
- 1.5. Conduct such land and air operations as may be essential to the prosecution of a naval campaign.
- 1.6. Maintain a naval infantry component that shall be organized, trained, and equipped to provide forces capable of the conduct of such land operations as may be essential to the prosecution of a naval campaign.
- 1.7. Provide security detachments for the protection of naval property at naval stations and bases.
- 1.8. Organize, train, equip, and provide forces for reconnaissance, antisubmarine warfare, protection of shipping, aerial refueling, and mine laying, including the air and space aspects thereof, and controlled minefield operations.
- 1.9. Provide the afloat forces for strategic sealift.
- 1.10. Provide air support essential for naval operations.

- 1.11. Organize, train, equip, and provide forces for appropriate air and missile defense and space control operations, including the provision of forces required for the strategic defense of Ukraine.
- 1.12. Provide equipment, forces, procedures, and doctrine necessary for the effective prosecution of electronic warfare operations and, as directed, support of other forces.
- 1.13. Furnish aerial photography, as necessary, for Navy and naval infantry operations.
- 1.14. Organize, train, equip, and provide forces for the support and conduct of special operations.
- 1.15. Organize, train, equip, and provide Navy and naval infantry forces for the support and conduct of psychological operations.
- 1.16. Provide integrated port security and coastal defense forces, in coordination with the other state military organizations.
- 1.17. Organize, train, and equip, in coordination with other state military organizations, and provide forces for maritime search and rescue, and servicing of maritime aids to navigation.
- 1.18. Interdict enemy land power, air power, and communications through operations at sea.
- 1.19. Conduct close air and naval support for land forces.
- 1.20. Furnish aerial imagery for cartographic purposes.
- 1.21. Provide air and land transport essential for naval operations and not otherwise provided for capabilities.
- 1.22. Provide and operate sea transport for the Armed Forces other than that which is organic to the individual services.
- 1.23. Develop, in coordination with the other services, doctrine and procedures for close air support of naval forces and for joint forces in amphibious operations.

2. Contribute to military-political stability in the region and in the world.

- 2.1. Participate in scheduled international military cooperation events, both bilateral and multi-lateral.
- 2.2. Set-up and provide resources for military units allocated by Ukraine to combined collective security forces.
- 2.3. Gradually achieve interoperability with the armed forces of other states.
- 2.4. Maintain combat readiness of military units allocated by Ukraine to combined collective security forces
- 2.5. Participate in international search and rescue, humanitarian, and peacekeeping operations under legitimate mandate.
- 2.6. Implement Ukraine's international commitments in the military sphere (arms control, reductions, verification, information exchange, confidence building measures, humanitarian law, etc...).
- 2.7. Prevent spread of defense-related specialists, critical and dual-use technologies abroad.
- 2.8. Carry out representative and ceremonial functions in Ukraine and abroad.

3. Contribute to internal stability of Ukraine.

- 3.1. Guard vital and high risk state objects.
- 3.2. Enforce the state of emergency.
- 3.3. Provide support to the state authorities and ensure life-support in case of catastrophes, natural disasters, social conflicts, epidemics, and etc...
- 3.4. Provide support to the state authorities in combating corruption, organized crime, and terrorism.
- 3.5. Provide support to the state authorities in conducting maritime search and rescue operations.
- 3.6. Participate in ecological monitoring, observe standards for nature protection, and eliminate ecological consequence of military activity.
- 3.7. Provide information for democratic civilian control over the Armed Forces; keep close connections with the public and mass media.
- 3.8. Ensure implementation of government decisions, fulfillment of important national tasks, discharge of social obligations.

- 3.9. Ensure purposeful and efficient use of allocated budgetary funds and resources, optimize the structure, and reduce personnel of the Armed Forces.
- 3.10. Ensure use of scientific and technical potential of the Armed Force for development of critical and dual-use technologies, fulfillment of national programs.
- 3.11. Ensure social protection of personnel and family members, non-admission of personnel discrimination, guarantee social adaptation of servicemen after retirement.
- 3.12. Raise professional level of personnel, support training of civilians in technical fields.
- 3.13. Contribute to physical, psychological, and moral training of the population; promote ideas of harmonic development, and a healthy life style.
- 3.14. Infuse personnel with respect to Ukrainian history; contribute to education and culture.
- 3.15. Ensure military and patriotic indoctrination of personnel; contribute to military and patriotic indoctrination of the population.

The third strategic goal, contribute to the internal stability of Ukraine, comprises many functions that are not directly measurable or verifiable from outside sources. The lack of transparency in Ukraine and the inability to measure these functions make analysis of strategic goal three and its associated functions suspect. Therefore, for the purpose of this paper, the analysis will focus on the first two strategic goals and their corresponding specified functions for the navy.

C. ANALYSIS

With the establishment of military functions for the navy, based on the support of Ukraine's national interests, the accomplishment of the analysis of the current force and command structure is possible. Implementing a T-matrix format provides a basis for evaluation. The T-matrix allows for the visual representation of the relationship between national interests, the military functions, and the branch of military service that is fulfilling those requirements. The preceding section enumerates the basic functions of the navy. However, the national interests of Ukraine must be identified to successfully use the T-matrix. The National Security Concept of Ukraine identifies twelve national interests:

1. Creation of civil society, increase of effectiveness of state power and local governmental bodies;
2. Development of democratic institutions to guarantee human rights and freedoms;
3. Achieving of national concord, political and social stability;
4. Guaranteeing rights of the Ukrainian nation and national minorities in Ukraine;
5. Guaranteeing state sovereignty, territorial integrity and inviolability of the state borders;
6. Creation of self-sufficient, socially orientated market economy;
7. Guaranteeing ecologically and technically safe conditions for the life of society;
8. Preserving and increasing scientific and technical potential;

9. Strengthening of genetic reserve of Ukrainian people, their physical and moral health and intellectual potential;
10. Development of the Ukrainian nation, historical consciousness and national dignity of Ukrainians;
11. Development of ethnic, cultural, language and religious distinctiveness of citizens of all nationalities constituting the Ukrainian people;
12. Establishing equal and mutually beneficial relations with all states, integration into the European and world community.⁸⁰

These twelve national interests are entered into the matrix to act as a gauge on the ability of specific functions to support a national interest, or not. This evaluation is further broken down into national interest that the function directly influences, primary national interest, and those it indirectly influences, secondary national interests. This will also provide a basis for validating the importance of one function over another when planning and allocating resources. For this process the analysis will only look at the Ukrainian Navy and its ability to accomplish the specified functions. The matrix will break down the navy's performance into three categories, ability to fully accomplish the task, partial accomplishment, and non-accomplishment. Once all data is entered, the matrix offers a visual representation of the successes or failures of the Ukrainian Navy.

The evaluation of the navy's performance is based on the assessment of the status of the Ukrainian Navy done in Chapter III. As an example, the Ukrainian Navy partially

⁸⁰ See Appendix.

accomplishes function 1.5, conduct such land and air operations as may be essential to the prosecution of a naval campaign. This evaluation derives from funding and training issues. With only 5 – 15 percent of required fuel and the inability to select 10-15 pilots capable of performing night, all-weather missions, it is improbable that this function can be fully accomplished.⁸¹ However, this military function supports two of Ukraine's stated national interests, guaranteeing rights of the Ukrainian nation and national minorities in Ukraine, and guaranteeing state sovereignty, territorial integrity and inviolability of the state borders.

⁸¹ "Military Reform in Ukraine: The Start of Another False Start?" *NATIONAL SECURITY & DEFENCE No.1*. (February 1999). Available [Online]
http://www.uceps.com.ua/eng/all/journal/2000_1/html/2.shtml [05 March 2001].

Table 3 Relationship between Ukrainian Navy, Military Functions, and National Interests

□ - Non-accomplishment	● - Primary National Interest
◆ - Accomplished	○ - Secondary National Interest
◇ - Partially Accomplished	

Ukrainian Navy	Military Functions	National Interests											
		1	2	3	4	5	6	7	8	9	10	11	12
◇	1			●	●	●							
◇	1.1				○	●				○			
◇	1.2				○	●							
◇	1.3						●	○					○
◇	1.4				○	●							
◇	1.5				○	●							
◇	1.6				○	●							
◆	1.7				○	●							
◇	1.8				○	●	○	○					○

Ukrainian Navy	Military Functions	National Interests											
		1	2	3	4	5	6	7	8	9	10	11	12
◇	1.9					●	○						
◇	1.10				○	●							
◇	1.11				○	●							
◇	1.12				○	●							
□	1.13				○	●							
◇	1.14				○	●							
◆	1.15				○	●							
□	1.16				○	●	○	○					
◇	1.17				●	○	○	○					○
◇	1.18				○	●							
◇	1.19				○	●							
□	1.20					●							
□	1.21					●							

Ukrainian Navy	Military Functions	National Interests											
		1	2	3	4	5	6	7	8	9	10	11	12
□	1.22					●							
◇	1.23				○	●							
◇	2					●		○					●
◆	2.1					●							○
◆	2.2					○							●
◇	2.3				○	○							●
◇	2.4					●							○
◆	2.5				○	○							●
◆	2.6				○	○	○						●
◇	2.7				○	●	○						●
◇	2.8				○	○	○						●

The T-matrix highlights the problems inherent to the Ukrainian Navy. Ukraine's focus on external relations and its lack of ability to accomplish the tasks associated with self-defense and protection of territorial integrity are apparent. Of the 23 functions associated with the first strategic goal, Ukraine can fully accomplish two, partially accomplish sixteen, and does not accomplish five. However, the second strategic goal has four functions accomplished and four partially accomplished. Ukraine, with its limited resources, placed emphasis on supporting functions associated with developing relations with other countries. This hampered the functioning of the basic requirements of a navy. Ukraine's two primary warships are outfitted for ceremonial functions and not operational activity. Ukraine looks to project an image of success and capability to the international community while hiding the underlying problems.

The matrix also shows where the Ukrainian navy is either incapable of accomplishing specific functions or has relinquished certain function. Some, such as function 1.16, are due to legislative factors. The Armed Forces and other military state structures do not have a common linkage for coordination of forces. The navy relinquished other functions to the operation of other services. Ukraine transferred all of its fixed-wing aircraft from the navy to the air force. Therefore, the navy does not have the assets required to provide the aerial imagery required for function 1.13 and 1.20. The loss of fixed-wing assets also creates difficulties in the implementation of 1.19 and 1.23 dealing with close air support for land and amphibious operations. The government, to determine their applicability, must review the functions that are not accomplished. If the current system is sufficient, the other military services can continue to fulfill those functions. If not, Ukraine must procure the assets required to meet those tasks.

This T-matrix representation highlights the need for reform. Ukraine cannot afford to continue to solely focus on the support of strategic goal two, to the detriment of the rest of its national interest. Although Ukraine states that it has no eternal threats, this is more a political statement and is a realistic fallacy. From this analysis, there are three legitimate major reform areas.

1. Establish military functions via legislation.
2. Allocate resource across the spectrum of operations.
3. Develop assets required for a regional navy.

Ukraine must delineate the functions of its various state military organizations via legislation. As shown by this analysis, the delineation of military functions allows the proper evaluation and allocation of funds. Ukraine must fund the navy across the spectrum of functions that support all its national interests. To accomplish this, Ukraine must abandon the utilization its current Soviet-style, blue-water forces and focus on the development of assets and doctrine to support the regional navy required. However, these reforms face significant problems with both development and implementation. The political and economic capital required to conduct wholesale change is in short supply and many difficulties must be overcome before the Ukrainian Navy can accomplish the listed functions.

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VI. ROADBLOCKS

With Ukrainian sovereignty ensured, the Ukrainian Navy established, and relations with the Russian Fleet codified, the future of the navy is in Ukraine's hands. Ukraine must move forward to develop and acquire the necessary equipment to meet its national security interests. The need for reform in the navy is obvious and required for the continued survival of the navy as a tool of power. However, the ability of Ukraine to reform is bound in three separate issues; military acquisition, political will, and economic constraints. These issues combine to make it extremely difficult to implement reform and change.

A. MILITARY DEVELOPMENT

One of the most significant roadblocks to reforming the navy is the current state of military development. The issue of military development is a complex combination of infrastructure, and acquisition. While still part of the USSR, Ukraine's share in the military-industrial complex output comprised 17 percent of the total with 1,840 enterprises and research centers employing 2.7 million people.⁸² This massive industrial complex vanished during the first decade of independence. By 1999, according to estimates by the Parliamentary Committee on national security and defense, the output of Ukraine's military-industrial complex is 4-5 percent of the 1990 level. The number of enterprises dropped by a factor of five and the number of personnel employed by a factor of seven.⁸³ The government failed to institute a comprehensive program for the

⁸² Ibid.

⁸³ Ibid.

conversion of the defense sector. Therefore, while the military-industrial complex was degrading year by year, there was no effort to identify and retain critical defense technologies and capabilities.

With the collapse of the military-industrial complex, acquisition becomes a political and economic issue. Ukraine's share of closed-cycle production processes was 18-20 percent of the Former Soviet Union's total. This level dropped to 5-7 percent by 1999.⁸⁴ Ukraine's hopes of defense conversion and the development of numerous closed-cycle weapon productions remain unjustified. Ukraine achieved limited success in some sectors. The sale of two 550-ton Pomornik-class air-cushion amphibious landing craft to Greece was the only such success in the naval realm.⁸⁵ The lack of capability for ship and weapon production is of critical importance to the future of Ukraine's navy and military. Almost every ship in the navy requires dock work. Today 70 percent of weapon systems require capital repair and 40-50 percent of this equipment is obsolete.⁸⁶ Therefore, without the necessary closed-cycle production, Ukraine must purchase weapon systems, equipment, and or parts on the open market.

The political sphere then intrudes on this reality. Ukraine must choose between the Russian Federation and the West. Purchasing the equipment and parts for its existing systems from the Russian Federation increases Ukraine's dependence on its large neighbor. By acquiring new systems from Europe or the United States, Ukraine will

⁸⁴ Ibid.

⁸⁵ "World Navies in Review." *United States Naval Institute Proceedings*. (Annapolis: United States Naval Institute, March 2000), p. 37.

⁸⁶ "Military Reform in Ukraine: The Start of Another False Start?" *NATIONAL SECURITY & DEFENCE No.1*. (February 1999). Available [Online]

possibly alienate the Russian Federation. The lack of infrastructure and the corresponding acquisition problems make any material reform a difficult to implement. The absence of domestic political will and economic problems facing Ukraine further exacerbate an already difficult process.

B. DOMESTIC POLITICAL WILL

The lack of a coherent political will to initiate and implement reform in the military in general and the navy in specific has restricted progress toward the necessary changes. The difficulties in the system of government create legislative backlog and an unwillingness to accept responsibility for reform. These two factors will continue to prevent Ukraine from developing and implementing the needed changes. Legislative acts must underwrite Ukraine's basis for reform if any hope is to exist for implementation.

Ukraine adopted its Military Doctrine in 1993. Based on broad generalities and concepts and not on an adequate assessment of the military and resource constraints, it is obsolete. Ukraine did not even have a national security concept until 1997. The current military doctrine is still predicated on the initial constitution and has not been updated for the new constitution. In 1998, the National Security and Defense Council submitted a new proposed military doctrine but it remains unapproved in the parliament. During Ukraine's first decade, there has been a focus on the constitutional process. The various branches of government sought to establish their power structures and little attention was given to the military. The power struggles between the legislative and executive

branches have forced much of the needed efforts on the military sphere to be accomplished via non-legislative measures. Such an example was the establishment of the State Program of Armed Forces Construction and Development. A Presidential Decree setup this program. However, the legislation required for the program to function never passed. The initial Black Sea Accords were also established as presidential decrees to allow rapid implementation. However, the ratification of these documents and the 20 other required agreements did not occur until 1999. This discontinuity between the various branches of power prevents the adequate evaluation of the needs for reform and promotes rather the utilization of power politics and patronage.

The instability of the government directly transferred to the military. Over Ukraine's first eight years of independence there were four ministers of defense, five chiefs of the General Staff, three ministers of internal affairs, four heads of the Security Service, three heads of the State Border Security committee, and three chiefs of the Navy.⁸⁷ The constant changes in the leadership of the military cause a shifting set of goals and perceptions. The system of military education of the Ministry of Defense underwent four changes of control and oversight in five years. Each change was for the stated purpose of "the optimization of the command-and-control structure, better officer training, savings of budget funds, etc..."⁸⁸ Another example of this discontinuity was the merger of the Air Force and Air Defense into a single service and their subsequent split back into two separate forces. These two issues show the fractious nature of an ever-changing military leadership. Almost half of all officers, 49 percent, see the lack of

⁸⁷Ibid.

⁸⁸ Ibid.

stability in the Armed Forces' command as a factor hampering the process of reform.⁸⁹ Until there is stability in the leadership, there is little possibility for implementation of reform at the lower levels of the military.

The Ukrainian government must create the political will to develop naval reform and implement the required changes. This demands the acceptance by the political leadership of responsibility for the success or failure of the navy. Once this personal responsibility is accepted, Ukraine can establish the legislative basis for reform, develop and pass a new military doctrine, and create the functions of the various state military organizations. With these two things and stability within the military command structure, Ukraine may implement its reform policies throughout the navy.

C. ECONOMIC DEBATE

The Ukrainian economy is virtually insolvent. The need for economic reform walks hand-in-hand with the need for military reform. The threat of the collapse of internal market structures and the economy in general is real and present everyday. Ukraine entered the world economy with a command economy that centralized around Moscow. Therefore, Ukraine did not have weak market relations but no market relations at all. Western economists attempted to apply macroeconomic reforms to Ukraine without a microeconomic infrastructure to allow the reform to take hold. Ukraine initially tried to take a gradual approach to the shift in economies. The result was that by the 1994 elections, the annual inflation rate had reached four thousand seven hundred

⁸⁹ Ibid.

percent.⁹⁰ This helped catapult current President Leonid Kuchma into power. Kuchma immediately instituted strong market measures, the abolition of price controls, and the establishment of a stable currency the *hryvnia*. Although these measures stabilized the Ukrainian economy at the macro level, they did not solve the underlying problems of the lack of infrastructure.

The Ukrainian economy has continued to decline over the second half of the 1990s. The real Gross Domestic Product (GDP) declined every year since 1991. This trend does not appear to be changing in the near future. GDP growth for 2000 is predicted to be one percent, yet inflation is expected to be nineteen percent.⁹¹ In addition to the monetary difficulties, Ukrainian unemployment is over 20 percent and 40 percent of the population live below the poverty line.⁹² If the Navy and/or the entire armed forces are downsized Ukraine has no employment opportunities. In the first ten months of 2000, prices increased by thirty-five percent.⁹³ These are all symptoms of an economy that does not have adequate internal controls or functioning market structures. The Heritage Foundation's 2000 Economic Freedom Index report showed Ukraine dropping seventeen points to 133rd in the world, ranking with the "predominantly unfree" world

⁹⁰ James Sherr. "Ukraine's New Time of Troubles." *Conflict Studies Research Centre*. (01 January 1999). Available [Online] <http://www.ppc.pims.org/Projects/csrc/G67-js.htm> [24 October 2000].

⁹¹ Viktor Skarshevskiy. "Budget 2000: absence of deficit, the way it is." *UCEPS National Security & Defence*. (19 February 2000). Available [Online] http://www.uceps.com.ua/eng/nsdec_skarshevskiy.pdf. [20 November 2000].

⁹² Volodymyr Lanovy. "How Far Does the Budget Lag Behind the People?" (28NOV00). *The Day*. (28 November 2000). Available [Online] <http://www.day.kiev.ua/DIGEST/2000/economy/ec1.htm> [04 December 2000].

⁹³ Ibid.

economies.⁹⁴ Ukraine's economy is on the verge of internal collapse. The reforms tied to the International Monetary Fund and other loans have focused on stabilizing the economy in relation to the global community but have not addressed the internal issues of zero growth, poor taxation, limited price controls, and heavy inflation.

With these current economic conditions, it is surprising that Ukraine can still claim to have a navy. In 1999, the government funded the National Defense budget item at a level of 51.5 percent. Per capita defense expenditure was 8.6 dollars. The first quarter of 2000, only 17.6 percent of budgeted funds reached the armed forces.⁹⁵ With this level of funding, it is impossible for the military to continue to pay its personnel, much less operate the equipment and maintain its condition. In 1999, 70 percent of allocated funds in the military budget went to pay for food and personnel. Research and Development (R&D) and Equipment only received 3 and 4 percent of the budget respectively.⁹⁶ These figures give sad testament to the stark realities of Ukrainian defense reform.

Without the required funding to adequately clothe and feed themselves, the military resorted to drastic measures. Forces rely on the patronage of various towns and cities to supplement their budgets. Many work in the fields to acquire food, while commanding officers hire out their troops to act as security detachments. The

⁹⁴ Petro Izhyk. "Steps to Economic Captivity." (28NOV00). *The Day*. [HTTP] Available: <http://www.dav.kiev.ua/DIGEST/2000/034/economy/ec2.htm>. (04DEC00).

⁹⁵ Oleksiy Havrylenko. "Does Ukraine Need a New Military Doctrine?" *UCEPS National Security & Defense*. (12 June 1999). Available [Online] http://www.uceps.com.ua/eng/nsdec_havrylenko.pdf [10 November 2000].

⁹⁶ "Military Reform in Ukraine: The Start of Another False Start?" *NATIONAL SECURITY & DEFENCE No.1*. (February 1999). Available [Online] http://www.uceps.com.ua/eng/all/journal/2000_1/html/2.shtml [05 March 2001].

government legalized much of this activity in the law, On Economic Activity in the Armed Forces of Ukraine. The Ukrainian Parliament now sets annual ceilings of earnings that the Armed Forces must meet. These activities promote corruption and a breakdown in the necessary civil-military relationship in a democracy. In essence, the Ukrainian military must fund its own reform.

Economic growth and recovery cannot be a pre-condition for military reform. The cost of downsizing is often estimated at 1.5 to 2 times the cost of maintaining current levels with only long-term return on the investment. In light of this fact, many argue that there are insufficient funds to adequately reform the military. However, the lack of funds validates the need to reform. Reform is the only way to bring the navy inline with the constraints of the economy's budgetary problems, lack of domestic political will, and reduced military-industrial complex. Without reform, the conditions in the Ukrainian navy will continue to deteriorate across the spectrum until collapse is unavoidable.

VI. CONCLUSION: THE WAY AHEAD

The evolution of the Ukrainian Navy is not complete. The process of dividing the Black Sea Fleet accomplished, Ukraine must now reform its navy from a Soviet model to one that will allow it to meet the requirement of a regional navy in the Twenty-First Century. Ukraine achieved the goal of maintaining its independence from the Russian Federation. Yet, was the cost of this process is still being felt. The cohabitation of the Ukrainian Navy with Russia's Black Sea Fleet is a constant source of tension. The continued presence of Russia in the Crimea does little to sooth the separatist movement there. Ukraine emerged from the 1990's with a navy. "Our mission is control of our national shores and waters in economic terms," Nikolai Savchenko, Ukraine Black Sea Naval Forces spokesman, said, "Practically that means stopping smuggling...and illegal immigration...We are neither prepared nor preparing for war."⁹⁷ This official view of the Ukrainian Navy reflects an acknowledgement of some of the limitations and constraints in Ukraine. However, the current economic and political difficulties make this Navy incapable of accomplishing even these limited tasks.

A. THE WAY AHEAD

The future of the Ukrainian Navy stands in jeopardy without reform. The navy must establish its functions via legislation, allocate resources across the spectrum of operations, and develop the assets required for a regional navy. Yet, how does Ukraine overcome the obstacles to reform? What process will allow it to remove the roadblocks

⁹⁷ Stefan Korshak. "Ukraine: Navy Troubled by Lack of Funds, Relations With Russia." *Radio Free Europe: Radio Liberty*. (12 August 1998). Available [Online] <http://rferl.org/nca/features/1998/08/F.RU.980812102001.html> [02 February 2001].

of military development, domestic political will, and economic difficulties? These questions require an answer. If not answered, then the devolution rather than the evolution of the Ukrainian Navy will occur. NATO, the Partnership for Peace program, and its respective elements currently provide the most viable solution. The engagement that PfP provides if utilized properly will allow Ukraine to mobilize the required political will, overcome the issues of military development, and reduce the impact of the economic problems within the country. The benefits of PfP for Ukraine's reform process reside in the second revision of PfP entitled "The Enhanced and more Operational Partnership". Supporting the existing tenets of PfP, this new revision focuses PfP on three new elements:

1. A Political-Military Framework for NATO-led PfP operations;
2. An expanded and adapted Planning and Review Process (PARP)
3. Enhanced practical military and defense-related cooperation covering the full spectrum of cooperation in PfP.⁹⁸

These three areas can provide the impetus and means for the Ukrainian government to successfully embark on a process of reform for the military.

The political-military framework and practical military and defense-related cooperation of PfP allows Ukraine to acquire the needed experience and knowledge to develop accurate military functions for its navy. The new political-military framework goal is to "Develop a wider framework of conceptual and practical documents and

⁹⁸ "Partnership for Peace – An Enhanced and more operational partnership." *North Atlantic Treaty Organization*. (01 April 1999). Available [Online] <http://www.nato.int/docu/facts/2000/pfp-enh.htm> [23 October 2000].

arrangements for the Alliance's missions beyond collective defense."⁹⁹ The political-military framework devolves into a three-step process. These are a consultation phase, planning and consultation phase, and execution phase. Each of these phases integrates Ukraine fully into the planning process of NATO while allowing it to retain the requisite control of its involvement and participation. The concept of practical military and defense-related cooperation functions through working groups, committees and education. The working groups and committees established cover a broad spectrum of activities dealing with issues from air-traffic control to standardization. These offer Ukraine the opportunity to develop an organic group of experts in a wide array of fields. In addition, it provides a forum for Ukraine's military-industrial complex to integrate with the West reducing its dependence on the Russian Federation. The Training and Education Enhancement Program's aim is to provide a structured approach to optimize and improve training and education in the Partnership.¹⁰⁰ These programs allow Ukrainian officials to participate in large-scale operational planning. It also provides exposure to the concepts behind military functions and operating a military under such regulations. Ukraine can translate this experience and knowledge into the basis for accurate military functions that support its national interests.

The Planning and Review Process (PARP) can be the vehicle to translate the developed military functions into domestic political will and legislation. PARP is a biannual review process that establishes a six-year planning cycle. It is a complete review of the defense organization and the country's accomplishment of Partnership

⁹⁹ Ibid, Appendix A.

¹⁰⁰ Ibid, Appendix E.

Goals, formerly Interoperability Goals. In the 1997-1999, PARP Ukraine had committed to 27 interoperability objectives with 11 achieved.¹⁰¹ Translating the developed military functions to partnership goals provides Ukraine an outside review of their accomplishment. However, this will only succeed if Ukraine develops adequate transparency concerning its armed forces. Accomplishment of the partnership goals becomes an issue of national prestige. This in turn promotes cooperation within parliament to establish legislation that supports these functions.

Partnership for Peace, although not a magic formula for success, gives Ukraine the opportunity to successfully reform its navy. Continued and greater involvement in PfP ensures the continued financial support currently provided by NATO and the United States. In addition, PfP and the associated Euro-Atlantic Partnership Council provide a forum for regional stability with every country in the Black Sea region a member. By reforming the outlined areas and implementing them through the structure of Partnership for Peace, Ukraine can avoid the imminent collapse of its navy. If this is not accomplished, the analysis done by Ukraine's own armed forces will come true, "With Ukraine's current attitude to its fleet the country will have no navy in five years."¹⁰² The Ukrainian leadership must take this onboard and push for reform to further the evolution of the navy.

¹⁰¹"Military Reform in Ukraine: The Start of Another False Start?" *NATIONAL SECURITY & DEFENCE No.1*. (February 1999). Available [Online]
http://www.uceps.com.ua/eng/all/journal/2000_1/html/2.shtml [05 March 2001].

¹⁰² "Ukrainian newspaper on situation in Navy and relations with Russia," *Zerkalo Nedeli' BBC Monitoring International Reports*. (05 August 2000). Global News Bank Available [Online]
http://infoweb12.newsbank.com/bin/gate.exe?state=f747hd.6.15&f=doc&p_nb_id=T73N5A. [26 January 2001].

APPENDIX: NATIONAL SECURITY CONCEPT (BASIS OF STATE POLICY) OF UKRAINE

Existence, self-preservation and progressive development of Ukraine as a sovereign state depend upon pursuing purposeful policy aimed at protection of its national interests. The bases for such policy are defined by the Concept of the National Security of Ukraine.

The Concept of the National Security of Ukraine should secure: unity of principles of forming and pursuing of the state policy of national security; combining approaches to forming the relevant legislative basis, preparing doctrines, strategies, concepts, state and department programmes in various spheres of the national security.

I. BASICS AND PRINCIPLES

The national security of Ukraine as a state of protection of vital interests of an individual, society and the state from inner and outer threats is a necessary condition for preserving and multiplying moral and material values.

The main objects of the national security are: a citizen - his/her rights and freedoms; society - its moral and material values; the state - its Constitutional system, sovereignty, territorial integrity and inviolability of its borders.

The main principles for providing the national security are: priority of human rights; superiority of law; superiority of treaty (peace) means in managing conflicts; correspondence of measures of protection of the national security to real and potential threats; democratic civil control over the military sphere and other structures in the system of the national security; observing the balance of interests of an individual,

society and the state, their mutual responsibility; clear division of power between state authorities.

The national security of Ukraine is achieved by pursuing considered state policy pursuant to adopted doctrines, strategies, concepts and programmes in such spheres as political, economic, social, military, ecological, scientific and technical, information, etc. The real measures and ways to provide the national security of Ukraine are stipulated by priority of national interests, necessity of timely measures corresponding to the character and scale of threats to these interests being taken, and are based on principles of a legal democratic state.

II. NATIONAL INTERESTS OF UKRAINE

The national interests of Ukraine reflect fundamental values and aspirations of the Ukrainian people, their requirement in decent conditions for life, as well as civilised ways of creating such conditions and means to satisfy them. The national interests of Ukraine and their precedence are stipulated by the real situation forming within and outside the country.

Priority national interests for Ukraine are: creation of civil society, increase of effectiveness of state power and local governmental bodies, development of democratic institutions to guarantee human rights and freedoms; achieving of national concord, political and social stability, guaranteeing rights of the Ukrainian nation and national minorities in Ukraine; guaranteeing state sovereignty, territorial integrity and inviolability of the state borders; creation of self-sufficient, socially orientated market economy; guaranteeing ecologically and technically safe conditions for the life of society; preserving and increasing scientific and technical potential; strengthening of genetic

reserve of Ukrainian people, their physical and moral health and intellectual potential; development of the Ukrainian nation, historical consciousness and national dignity of Ukrainians; development of ethnic, cultural, language and religious distinctiveness of citizens of all nationalities constituting the Ukrainian people; establishing equal and mutually beneficial relations with all states, integration into the European and world community.

III. THREATS TO THE NATIONAL SECURITY OF UKRAINE

The main potential threats to the national security of Ukraine in the most important spheres of life are:

in political sphere: encroachment on Constitutional system and state sovereignty of Ukraine; interference into internal affairs of Ukraine by other states; existence of separatist trends in some regions and within certain political forces in Ukraine; massive violation of human rights within and outside Ukraine; aggravation of ethnic and confessional antagonisms; breach of the principle of division of power; ignoring or improper fulfilment of legitimate decisions of state authorities and local government; lack of efficient mechanisms for providing legality, law and order, struggling against crime, especially in its organised forms, and terrorism;

in economic sphere: ineffectiveness of the system of state regulation of economic relations; presence of structural disproportions, monopolism of manufacturers, obstacles for creation of market relations; unsettled problem of resource, financial and technological dependence of the national economy on other countries; economic isolation of Ukraine from the world economic system; uncontrolled outflow of intellectual,

material and financial resources from Ukraine; criminalisation of society, activity of shadow structures;

in social sphere: low level of living standard and social protection of considerable strata of the population, existence of a great number of citizens of capable to work age, who are not involved in socially useful activity; social and political opposition of specific social strata of the population and regions of Ukraine; decrease of people's health, unsatisfactory state of health protection system; trends of moral and spiritual degrading in society; uncontrolled migration processes in the country;

in military sphere: encroachment on the state sovereignty and territorial integrity of Ukraine; accumulating of military forces close to Ukrainian borders which breaks the existing forces balance; military and political instability, conflicts in the neighbouring states; possibility to use nuclear weapons (or other weapons of mass destruction) against Ukraine; sharp decrease of the military capabilities and combat readiness of the State military organisation; politicising of Ukraine's state military structures; creation and functioning of illegal armed formations;

in ecological sphere: considerable anthropogenic infringement and technogenic overload of the territory of Ukraine, negative ecological consequences of the Chernobyl catastrophe; ineffective use of natural resources, wide-scale application of ecologically harmful and imperfect technologies; uncontrolled import of ecologically dangerous technologies, substances and materials into Ukraine; negative ecological consequences of defence and military activity;

in scientific and technological sphere: indefinite character of state scientific and technological policy; outflow of intellectual and scientific potential from Ukraine;

scientific and technological lag of Ukraine from developed countries; decrease of level of training of highly qualified scientific, engineer and technical personnel;

in information sphere: unconsidered character of state policy and absence of necessary infrastructure in information sphere; slow entry of Ukraine into world information space, insufficient objective notion about Ukraine in the international community; information expansion by other countries; drain of information being a state and other secret, envisaged by law as well as confidential information being a state property; introduction of censorship.

IV. MAIN DIRECTIONS OF THE STATE NATIONAL SECURITY POLICY OF UKRAINE

The state policy of the national security of Ukraine should be identified accounting for priority of national interests and threats to the national security of Ukraine and pursued by realisation of corresponding doctrines, strategies, concepts and programmes in various spheres of the national security in correspondence to the valid legislation. The main directions of the state national security policy of Ukraine are:

in political sphere: creation of effective mechanisms for protection of rights of Ukrainian citizens in the country and in the world; preventing and eliminating attempts to interfere in the internal affairs of Ukraine; entering the existing and created universal and regional security systems; avoiding political extremism, support of civil concord and social stability; creation of a reliable system of protection of Constitutional principles, prevention and struggle with breaches of law and order, creation of required conditions for effective struggle with corruption and crime, especially in its organised forms;

guaranteeing proper fulfilment of legal decisions of state power and local government authorities;

in economic sphere: barring of illegal use of budget funds and state resources, their flow to shadow economy; control over export and import activity aimed at support of priorities important for Ukraine, and protection of a local manufacturer; struggle against illegal economic activity, counteraction towards uncontrolled outflow of the national material, financial, intellectual, information and other resources;

in social sphere: revealing and eliminating reasons leading to sharp stratification of society during transition to the market economy; taking timely measures to counteract crisis demographic processes; creation of effective social security system for an individual, preserving and restitution of his physical and moral health; stimulating of development and guaranteeing of a manifold protection of educational and cultural potential of the country; protection of consumers' rights;

in military sphere: creation of effective mechanisms and taking complex measures to prevent potential aggression or military conflict, localisation and liquidation of their consequences; prevention of attempts and elimination of breaches of the state border and territorial integrity of Ukraine; providing for democratic civilian control over the State military organisation;

in ecological sphere: introduction and control over keeping to scientifically based standards of use of natural resources and environmental protection; control over the state of natural environment; revealing and eliminating of threats to health of population, timely warning of Ukrainian citizens in case of danger; decrease of anthropogenic load, liquidation of consequences of harmful influence of human activity upon natural

environment; introducing ecologically safe technologies into manufacturing process; realisation of measures aimed at decrease of influence of consequences of the Chernobyl catastrophe; barring of uncontrolled import of ecologically dangerous technologies, substances and materials into Ukraine;

in scientific and technological sphere: adoption of complex measures aimed at protection and development of scientific and technological potential; revealing and eliminating reasons for scientific and technological lag of Ukraine; creation of effective mechanisms of struggle against outflow of intellectual and scientific potential from Ukraine;

in information sphere: adoption of complex measures aimed at protection of Ukraine's information space and its entry into the world information space; revealing and eliminating reasons for information discrimination of Ukraine; eliminating of the negative factors of breach of information space, information expansion from other countries; development and introduction of necessary means and regimes of acquiring, storage, spreading and usage of socially important information, creation of developed infrastructure in information sphere.

V. SYSTEM OF GUARANTEEING NATIONAL SECURITY OF UKRAINE

The system of guaranteeing national security of Ukraine is created to form balanced state policy and take effectively a complex of co-ordinated measures for protection of national interests in political, economic, social, military, ecological, scientific, technological, information and other spheres.

The system of guaranteeing national security is an integrity of subjects, organised by the state: state authorities, public organisations, officials and individuals united by aims and objectives on protection of national interests, who carry out a co-ordinated activity within the Ukrainian legislation.

The legal basis for guaranteeing national security of Ukraine is formed by the Constitution of Ukraine, the Law of Ukraine "On the National Security of Ukraine", other laws and normative legal acts as well as international agreements and treaties recognised by Ukraine. The activity to guarantee national security of Ukraine should be accessible for control in accordance with the Ukrainian legislation.

The main functions of the system of guaranteeing the national security in all spheres of its action are:

1. Creation and support ready for action forces and means for guaranteeing national security, which include: creation of legal foundation for building up, development and functioning of the system; forming an organisation structure of the system and state bodies constituting it to guarantee the national security, division of their functions; complex guarantee of life and activity of the constituents (structural elements) of the system: personnel, finance, material, technical, information, etc.; preparing of forces and means of the system to be applied according to their purpose.

2. Managing the activity of the system of guaranteeing national security which includes: working out the strategy and planning real measures to guarantee national security; organising and immediate guiding the system and its constituents; estimation of results of actions, expenditures for taking measures to guarantee national security and their consequences.

3. Implementation of planned and operational activity to guarantee national security, which includes: defining of national interests and their priorities; forecasting, revealing and estimation of potential threats, destabilising factors and conflicts, reasons for their emerging as well as consequences of their developing; preventing and eliminating of threats and destabilising factors influencing upon national interests; localisation, de-escalation and managing conflicts; liquidation of consequences of conflicts or influence of destabilising factors.

4. Participation in international security systems which includes: entry into existing security systems and forming new ones; forming of and participating in work of bilateral and multilateral governing, executive and support bodies (political, economic, military, etc.); working out corresponding normative and legislative basis regulating relations between states and their interaction in the sphere of security; mutual taking planned and operational measures within the framework of international security systems.

Authorities of the main subjects of system of guaranteeing national security:

The Ukrainian people - citizens of Ukraine of all nationalities at elections, referendums, through other forms of direct democracy as well as through state power and local government bodies express and realise their vision of national interests of Ukraine, means and methods of their protection, and voluntarily, while carrying out their Constitutional duties, take measures specified by state power and local government authorities to ensure national security of Ukraine; draw attention of public and state institutions to dangerous occurrences and processes in various spheres of life of the country; protect their own rights and interests as well as their own security by all legitimate means and methods;

The Supreme Rada of Ukraine within the limits of authority set out by the Constitution of Ukraine maintains legislative regulation and control over the activity of state power bodies and officials in carrying out their correspondent authorities in the sphere of national security;

The President of Ukraine as Head of state and guarantor of state sovereignty, territorial integrity of Ukraine, observing the Constitution of Ukraine, human and citizen rights and freedoms, and the Supreme Commander-in-Chief of the Ukrainian Armed Forces and Chairman of the National Security and Defence Council ensures state independence, carries out governing in the spheres of national security and defence of Ukraine;

The National Security and Defence Council as a co-ordinating body on issues of national security and defence attached to the President of Ukraine co-ordinates and controls the activity of executive bodies in the sphere of national security and defence;

The Cabinet of Ministers of Ukraine as the supreme body in the system of executive power responsible to the President of Ukraine, under control and accountable to the Supreme Rada of Ukraine takes measures to guarantee human and citizen rights and freedoms; to guarantee defence capability and national security of Ukraine; social order and struggle against crime;

The Constitutional Court of Ukraine decides questions on correspondence of laws and other legal acts in the sphere of national security to the Constitution of Ukraine and gives official interpretation of the Constitution and laws of Ukraine on relevant issues;

courts of general jurisdiction administer justice in the sphere of guaranteeing national security in accordance with the Constitution of Ukraine;

The Procurator's Office of Ukraine carries out its authorities in the sphere of national security in accordance with the Constitution of Ukraine;

The National Bank of Ukraine works out and executes emissive and credit policy in the interests of national security of Ukraine;

Ministries and other central bodies of executive power within their authorities, available resources of budget and non-budget funding guarantee implementation of the laws of Ukraine, decrees of the President of Ukraine, concepts, programmes, resolutions of state power bodies in the sphere of the national security; ensure creation, support ready to action and application of forces and means of guaranteeing national security and managing their activity;

The State Military Organisation, which includes the Armed Forces of Ukraine, the Security Service of Ukraine, the National Guard of Ukraine, Internal troops, bodies and units of the Ministry of Internal Affairs of Ukraine, the Border Troops of Ukraine, military units of the Ukrainian Ministry of Emergencies and on protection of population from Chernobyl consequences, other military formations organised in accordance with the Constitution of Ukraine, guarantees defence of Ukraine, protection of its sovereignty, territorial integrity and inviolability of its borders; counteracts external and internal threats of a military character; struggles against organised crime; provides protection of population in case of catastrophes, natural calamities, dangerous social conflicts, epidemics, etc.

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